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DOCTORAL THESIS

Employee engagement :managing the relationship between employees and the organisation: a validated measure and model

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**EMPLOYEE ENGAGEMENT: MANAGING THE
RELATIONSHIP BETWEEN EMPLOYEES AND
THE ORGANISATION. A VALIDATED
MEASURE AND MODEL.**

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Ph.D. THESIS

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Signed Certification of Sources

This thesis is submitted to Bond University in fulfilment of the requirements for the Degree of Doctor of Philosophy.

This thesis represents my own work and contains no material which has been previously submitted for a degree or diploma at this University or any other institution.

Signature..... Date.....

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Abstract

This thesis contributes to engagement literature by clarifying what engagement is for employees in a large Australian travel retail organisation, how it can be measured, and the expected benefits for both employees and the organisation. With claims that disengagement costs the Australian economy over \$30 billion annually (Hooper, 2006), the focus on engagement, particularly within the practitioner community, has grown exponentially. However, there is a lack of empirical research providing construct definition and measurement, ensuring credibility of this construct (Saks, 2006). The two main purposes of this study aimed to address this research gap by firstly producing a valid engagement survey which measured engagement and its predictors, and secondly producing a statistically tested engagement model which explained engagement, its antecedents, and consequences. The study was conducted using a mixed methods sequential design involving three projects.

Project one involved the collection and analysis of 3 forms of qualitative data from which 12 main engagement themes were established and survey items generated. Document analysis, participant observation, and interviews (26) of current and former employees all served to identify themes and contextualize engagement within the organisation under study.

Project two involved the development and testing of the initial engagement survey. Survey items were refined through a pilot study. The remaining items were reviewed by an expert panel, before being administered company wide returning 419 completed surveys. Exploratory factor analysis was used to refine the survey items and identify the engagement construct structure.

Project three involved the validation of the engagement survey and confirmation of the engagement model. Structural equation modelling was used

for this purpose. The engagement *survey*, which included eight driver subscales and an engagement subscale, was validated. Factors measured within the survey were similar to others cited in the literature signalling potential survey generalizability. The engagement *model* which included causal links between engagement, its drivers (antecedents), and outcomes (consequences) was confirmed. As anticipated, all eight engagement drivers (senior leadership, team leadership, work demands, work support, employee empowerment, continuation, customer focus and financial rewards) functioned as positive predictors of engagement. However, mixed results were found concerning engagement outcome variables. Engagement showed a positive causal relationship with personal outcomes (continuance commitment), but a negative casual relationship with organisational outcomes (customer satisfaction, and company financials). Such results question an overwhelming theme within the literature which claims a positive casual effect of engagement for both personal and organisational outcomes. Further investigation is recommended to clarify these results and explore the possibility of other variable influences.

The research of this thesis incorporated both consultancy and academic literature, marrying both perspectives to produce a measure and model relevant to each orientation.

CHAPTER ONE: ENGAGEMENT - A CONSTRUCT WORTHY OF INVESTIGATION

The following literature review spanning chapters one and two summarises existing employee engagement (here in referred to as engagement) research, from both academic and commercial orientations. Engagement is a relatively new construct, which has been touted by some as the “holy grail of work place performance” (Wellins & Concelman, 2005, para. 4). At the organisational level, engagement is claimed to increase productivity, profits, and customer satisfaction (Harter, Schmidt, & Hayes, 2002), while at the personal level it is claimed to make employees happier, more satisfied, and more fulfilled, and want to remain with the organisation (Harter, Schmidt, & Keyes, 2003). Much of the engagement literature has been published by the practitioner community giving the construct an applied focus. However, some suggest that engagement lacks clarity in its definition and understanding (Harris, 2006; Macey, Valtera Corporation, & Schneider, in press). When considering claims that disengagement costs the Australian economy \$31.5 billion a year (Hooper, 2006), further academic research is needed to assist in the validation of a construct, which has potential benefits at both the organisational and individual level. The following review explains the origins of engagement, its nomological network, and how academic and consultancy based researchers have defined and measured it. On completion of the review, no measure or model adequately explained engagement as it operated in the organisation from which data collection and analysis had occurred; therefore a new measure and a model were proposed, then tested and confirmed, adding to the growing body of knowledge on engagement.

Timeliness of Engagement Research

An article in the Australian Financial Review quoted “of all our resources, labour is now our scarcest... even after the boom in other commodities ebbs, it will remain the most valuable lode for the country” (Macken, 2007, p. 22). With educated, experienced employees increasingly in demand (Australian Bureau of Statistics, 1997; Macken, 2007), Australian companies are in fierce competition to attract and retain such candidates and are doing so through specific strategies such as engagement (Hooper, 2006). Until recently, consultancy companies, such as Gallup, Hewitt Associates, Towers Perrin, ISR, and DDI had conducted the majority of the research on this construct, developing measures and analysing outcome effects. However, there is a need for academic research to augment this growing body of literature to assist in the validity and reliability process that a new construct needs to undertake. As companies continue to invest in engagement enhancing initiatives (Buchanan, Calistro, Edwards, & Elsey, 2004; Harley, Lee, & Robinson, 2005; Robison, 2004), the importance of understating the construct becomes increasingly important. The current study adds to the growing body of research being published on engagement by clarifying what engagement is, how it is generated, and what types of outcomes an organisation can expect when embarking on an engagement program.

Project Relevance

Since this study began in 2004, the popularity of engagement has increased dramatically, particularly in professional practice publications which communicate a consistent message that engagement is “critical” for business success (Richman, 2006). However, there are those who question if it is not just another organisational fad (Saks, 2006; Welbourne, 2007) with little more to offer than existing constructs such as organisational commitment (Melcrum Publishing, 2005). Such claims are

understandable, considering much of what has been written about engagement has originated from consultancy firms who offer engagement programs stating that high levels of engagement significantly increase an organisation's bottom line (Coffman & Gonzalez-Molina, 2002; Hewitt Associates, 2005b; Huselid, 1995; Wellins, Bernthal, & Phelps, 2005). Surprisingly, there is little published in academic literature on engagement (Robinson, Perryman, & Hayday, 2004; Saks, 2006). What has been published provides a range of definitions, measures and theories which, at first glance, can be confusing. As stated by Macey et al. (in press) "engagement is a concept with a sparse and diverse theoretical and empirically demonstrated nomological net – the relationships among potential antecedents and consequences of engagement as well as the components of engagement have not been rigorously conceptualized much less studied" (p. 3). This study aimed to fill some of the academic research gaps by building on existing engagement theory to provide a clear definition of engagement, a validated measure, and a theory based engagement model that explained engagement, its antecedents (drivers) and consequences (outcomes) in a large Australian retail travel organisation. On a practical level, conclusions provide insights into how organisations can manage the work environment to engage employees. On a theory level, explanations for engagement are provided, amalgamating and extending previous rationalisations from both consultancy based and academic based research.

Study Overview

The present study collected data from a large Australian retail travel company (for the purposes of this thesis a pseudonym: Walkabout¹ is used). The study was divided into three separate projects, each building on the other in terms of data analysis and theory development.

Project one involved the collection of qualitative data via document analysis, participant observation, and semi-structured interviews of Walkabout employees. Results produced a working definition of engagement, and the identification of the main engagement themes existent at Walkabout. These themes served two purposes: firstly they functioned as categories under which survey items were generated, and secondly they were incorporated into the proposed engagement model ensuring its relevance to the Walkabout case.

Project two involved the generation of engagement items informed by the literature review and the engagement themes established in project one. These items were refined through a pilot study and an expert panel review, and then administered to Walkabout employees. Exploratory factor analysis was conducted to confirm the underlying survey structure and relevant survey items.

Project three validated the engagement survey and confirmed the engagement theory based model via structural equation modelling. The drivers of engagement at Walkabout were verified, and the relationship between engagement and specific personal and organisational outcomes were established. The sequential nature of this study is illustrated in figure 1.1.

¹ 'Walkabout' is used in text and in the reference section. Where it has replaced the actual company's name in a reference title, an (*) has been used following the Walkabout name, i.e. Walkabout*.

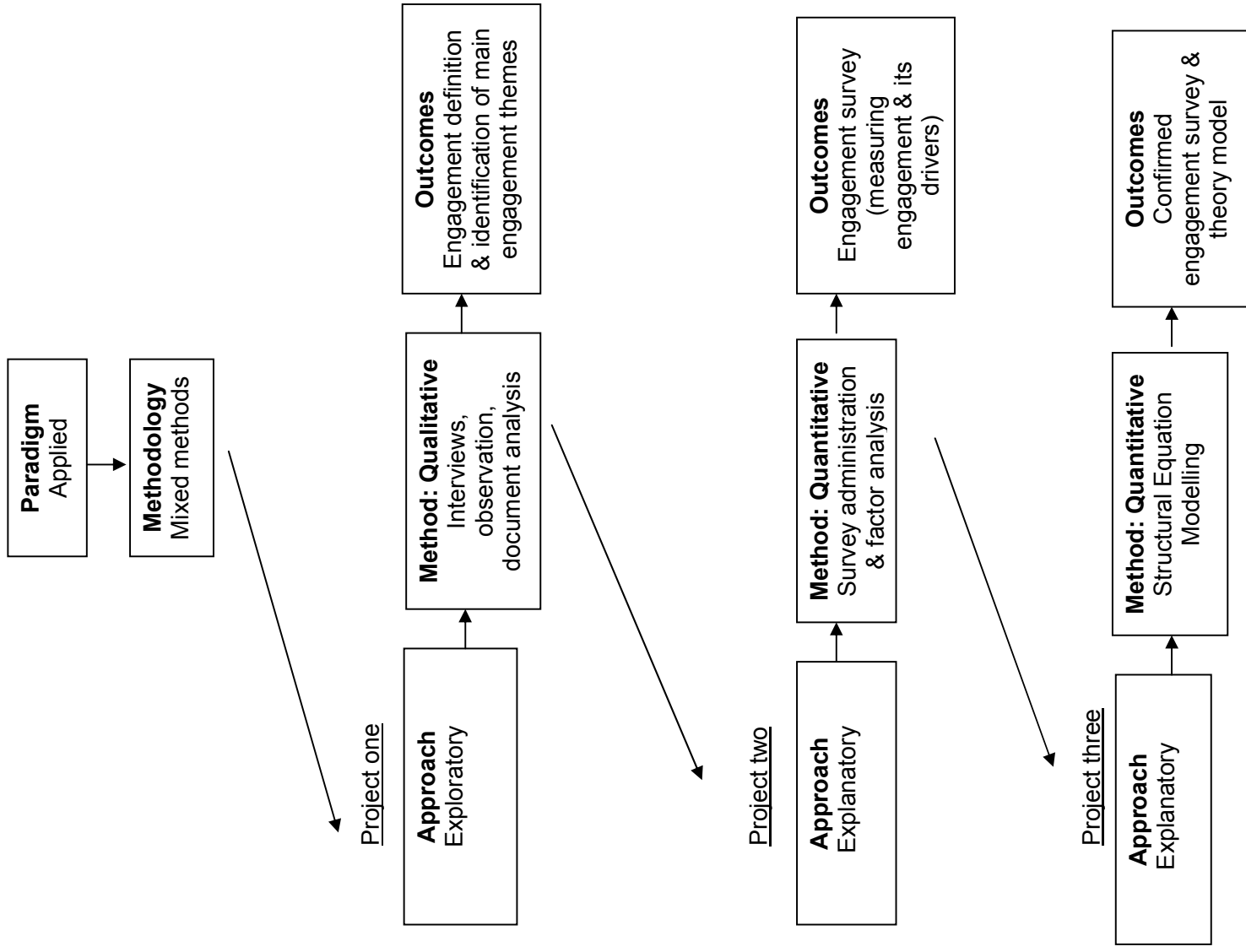


Figure 1.1 Project framework illustrating the sequential nature of the study, the methodology used, and outcomes achieved.

Research Program and Outline

Chapter one introduces the current study, reviews different types of engagement that have emerged in the literature, and compares engagement with related, more widely researched constructs. The value of engagement research is explained in addition to the timeliness of this study.

Chapter two reviews existing engagement research including four main engagement models, and surveys. Academic and consultancy based models are compared and used to develop the proposed engagement model. The model is presented along with the main research questions.

Chapter three provides contextual information regarding the Australian travel industry and relevant industry trends. The Walkabout case is introduced providing engagement related details on the company's operations: the company's purpose and philosophies, its structure and strategy, financial performance, and relevant employee characteristics.

Chapter four discusses the research methodology. The mixed methods approach is reviewed and methodological choices are discussed. Study feasibility and limitations are explored, research methods are outlined, and project administration is explained.

Chapter five provides the details of project one. Qualitative data collection is explained including employee interviews, document analysis and participant observation. Employee interview material is coded and analysed. This data is used to identify a working definition of engagement and the main engagement themes evident at Walkabout. From there, a survey factor structure is outlined, and the proposed engagement model is revised.

Chapter six provides the details of project two which outlines the survey development process. Survey items are generated and tested. Exploratory factor analysis is used to determine the structure of the engagement construct, the main

engagement drivers (antecedents) are identified, and the proposed engagement model is refined.

Chapter seven provides the details of project three. Data analysis from chapter six is taken one step further using structural equation modelling to validate the engagement survey and test the predictive capacity of the proposed engagement model.

Chapter eight provides a summary of the research questions and hypotheses detailing the study's main findings. Limitations are discussed in conjunction with possible improvements and recommended areas of further research.

An introduction to existing engagement follows, providing an orientation into what the engagement construct encompasses, and how it is positioned within existing research.

Engagement Defined

An obstacle in compiling information on engagement has been the lack of a universal definition and measure (Melcrum Publishing, 2005), a limitation that still exists according to academic literature (Ferguson, 2007; Macey et al., in press). Specific engagement research began only in the early 1990s (see Kahn, 1990). Since then, researchers and practitioners have proposed various definitions and theory models which explain engagement and how it operates. Generally speaking, the different types of engagement identified varied across three main spectrums:

1. Engagement as a momentary or pervasive experience
2. The various sub-constructs that make up engagement
3. The engagement relationship as either: a relationship between employees and their organisation, employees and their work role, or employees and their work colleagues.

In order to measure and explain engagement at Walkabout, it was necessary to first clarify what engagement referred to in this organisation (Shaw, 2005). Different forms of engagement are presented below.

Personal Engagement

William Kahn's work on personal engagement was one of the first pieces of empirical research that tackled the engagement construct. Based on his PhD research (Kahn, 1987), Kahn describes in a subsequent published article (1990) how employees psychologically occupy their role at work on a moment-by-moment basis. His research was based on interviews with 16 summer camp counsellors and 16 members of an architecture firm. Different types of work conditions which appeared to promote engagement were analysed. Kahn theorised that people involved themselves to varying degrees in their work along physical, cognitive, and emotional dimensions. Depending on how involved / engaged they were, differences were noted their work performance (Kahn).

In Kahn's view, personal engagement occurred when employees were able to express their "preferred selves". The 'preferred self' refers to the dimensions of self that people prefer to use and express when performing a certain role. In other words, when employees behave in ways that feel natural to them, they become cognitively, emotionally, and psychologically involved in their work. For this state of engagement to be maintained, Kahn proposed that work needs to be experienced as meaningful, that employees feel they have the personal resources to invest in their work, and that employees feel safe to express themselves without negatively affecting their self-image or career (1990). If these three conditions were not met (meaningfulness, availability, and safety), employees were said to become disengaged withdrawing their cognitive, emotional and psychological energies. The resulting disconnection led to reduced effort, mechanical type behavior and burnout.

In the only study that operationalised Kahn's theory and model, May et al. (2004) examined the relationship between engagement and the three conditions cited as necessary for engagement to occur. Results confirmed Kahn's theory, with significant positive relationships reported between all three work conditions (meaningfulness, availability, and safety) and engagement.

Employee Engagement

The term 'employee engagement' has been used in a number of ways, but for definition purposes, employee engagement will refer to the research conducted by large business consultancies (see Gallup; www.gallup.com, Hewitt Associates; www.hewitt.com, Towers Perrin; www.towersperrin.com, ISR; www.isrinsight.com). Generally speaking, business consultancies have focused on how employee engagement affects the bottom line. As argued by Towers Perrin consultancy group: the main purpose of engagement is the outcome of employees' discretionary effort, as this is what drives organisational performance (2003). This concept is reflected in definitions used by other consultancies that emphasise the financial benefits of engagement, namely increased productivity, customer loyalty, profit, and shareholder return (Harter et al., 2002; Hewitt Associates, 2005b). Employee engagement refers to a pervasive state of being that employees experience based on their emotional and intellectual involvement with their organisation (Hewitt Associates, 2003b; Towers Perrin, 2003). In this capacity, engagement is the measure of "energy and passion" that employees have for their organisation. As a result of this energy and passion, employees take action to improve business results of their organisation (Buckingham & Coffman, 1999; Hewitt Associates, 2003b). Organisations generate and maintain engagement by effectively managing engagement "drivers" (antecedents) that include a number of workplace facets such as leadership, rewards, coworker relations, work tasks, job resources, and career

opportunities. This form of engagement is similar to that proposed in the current study, as it was most similar to the type of engagement operating at Walkabout. The measure and modelling of employee engagement is further explained in chapter two.

Burnout and Engagement

From the slightly different research perspective of workplace burnout, Maslach and Leiter (1997) positioned engagement as a pervasive state of being that functions as the polar opposite of burnout. At one end of the continuum is engagement, and at the other is burnout. Engaged employees are energised, are willing to commit time and effort to their job, and feel competent in the work they do. In some respects, Maslach and Leiter's form of engagement is not dissimilar to Kahn's (1990) personal engagement. Both involve the employees' sense of meaning found in work, as well as a sense of confidence they gain by being proficient at their job. However, Maslach and Leiter incorporated an energetic component to the engagement construct which served to explain why engaged employees are said to be more productive. Maslach and Leiter describe engaged employees as energised, enthused and effective, and burned out employees as exhausted and cynical with low levels of self efficacy.

Work Engagement

Based on Maslach and Leiter's research, Schaufeli and colleagues (Schaufeli, Salanova, Gonzalez - Roma, & Bakker, 2002) refined the engagement / burnout continuum. They agreed with Maslach and Leiter (1997) that engagement and burnout were negatively related, but not opposites of the same continuum. Schaufeli et al. (2002) defined work engagement as consisting of vigor, dedication, and absorption, as opposed to Maslach and Leiter's (1997) form of engagement which consisted of energy, enthusiasm, and self efficacy. Essentially, the difference

between the two forms of engagement was that Maslach and Leiter incorporated self efficacy, and Schaufeli and colleagues incorporated absorption into the engagement construct. Absorption was not part of Kahn's personal engagement, nor the consultancy based employee engagement, however, it was an integral part of vital engagement, which is explained below.

Vital Engagement

Csikszentmihalyi (1990) introduced the concept of 'flow' which referred to a moment-by-moment experience (c.f. Kahn, 1990) felt by employees when they were fully involved in their work. When experiencing flow, employees are operating at full capacity (Nakamura & Csikszentmihalyi, 2002) which serves to create feelings of satisfaction, happiness and creativity, as well as enabling employees to work with high efficiency. As a short term 'peak' experience, flow is not easily acquired. It requires a delicate balance of perceived abilities and the opportunity to use those abilities. If their job provides too much challenge, employees feel anxious. If there is too little challenge, employees feel bored. When employees experience a state of flow, they achieve a meaningful connection to their surrounding work environment which Nakamura and Csikszentmihalyi (2003) call "vital engagement". For an employee who experiences 'vital engagement', work is meaningful and enjoyable. As with Kahn's work on personal engagement, vital engagement also involves a form of personal involvement or self employment. However, the difference is that vital engagement refers to a more cognitive form of involvement where as personal engagement is broader, incorporating emotional, physical, and cognitive dimensions of the self (May et al., 2004). Vital engagement and personal engagement are also both momentary states of being, whereas other forms of engagement reviewed here are all pervasive states of being.

On an initial investigation, employee engagement appeared most similar to the type of engagement that Walkabout management referred to during a preliminary meeting with the Researcher. Therefore, for the purpose of this study, engagement adopted a similar perspective, and included the following three dimensions:

1. A pervasive state of being;
2. The self employment of emotional, intellectual and behavioural facilities;
3. The connection felt by the employee toward their work, their company, and their colleagues.

These three engagement dimensions were explored in project one via employee interviews. One of the issues researchers are facing is the diverse definitions and forms of engagement existent within the literature. By summarising the main forms of engagement that have been proposed, and comparing them along three dimensions, the similarities and differences between the definitions become clearer. Engagement is a complex construct which explains the diversity in its interpretation. However, from both a research and applied perspective, definition clarity is important for the construct to gain validity and credibility.

Not all commentary published on engagement takes the perspective that it is a creditable construct. One such practitioner, noted in the Melcrum Report (2005, p.13), considered engagement to be a concept driven by survey organisations as a way to distinguish themselves as measuring the latest behavioural construct noted for improving company profits. From his perspective, engagement surveys were little more than job satisfaction surveys with a few additional questions. The following section outlines related constructs, including job satisfaction, work involvement and organisational commitment and how they are related to and differ from engagement. The review serves to explain engagement in terms of its nomological network.

Engagement and Related Constructs

In academic literature, engagement is said to be related to but distinct from other constructs in organisational behaviour (Saks, 2006, p. 601).

Engagement has been compared with numerous constructs, the most common being job involvement, job satisfaction, and organisational commitment (see Leiter & Maslach, 2004; Mills, 2005). All three are explained here for comparative purposes with engagement.

Job Involvement

Job involvement refers to “the degree to which a person is identified psychologically with his work, or the importance of work to his self image” (Lodahl & Kejner, 1965, p. 24). Essentially, job involvement focuses on the relationship between employees and their job; how they feel about their work and the level of significance they place on their performance in terms of their own self worth (Robbins, Waters - Marsh, Cacioppe, & Millett, 1994). The overlap between job involvement and engagement lies in employees’ enthusiasm for their work and the resulting self efficacy (Maslach & Leiter, 1997). However, job involvement is a narrower concept than engagement as it only involves the relationship between employees and their job, and not their work environment, work colleagues or organisation. It also does not include the energetic component noted in Maslach and Leiter’s (1997) form of engagement, Schaufeli and Bakker’s (2002) work engagement, or the consultancy based employee engagement (Hewitt Associates, 2003b) where engaged employees were noted for “going the extra mile” for their organisation. Instead, job involvement focuses more on the psychological effect work has on the individual in terms of performance and self image. May et al. (2004) proposed that engagement differed from job involvement in that it involves emotional, behavioural and

intellectual components, where as job involvement is primarily intellectual. May et al. also positioned job involvement as an antecedent to engagement as “individuals who experience deep engagement in their roles should come to identify with their jobs” (p, 12). However, the same could be said for job involvement as a consequence of engagement, in that employees who feel connected with their work may derive more meaning from it, and consequently feel more involved. Further research is recommended to clarify the causal direction of the engagement / job involvement relationship.

Job Satisfaction

Job satisfaction reflects how people feel about their work (Spector, 2003). It refers to “the positive and negative feelings and attitudes we hold about our job” (Schultz & Schultz, 2002, p. 235). Job satisfaction has been linked with the broader wellbeing concept of life satisfaction, with both constructs influencing the other in a positive way (Argyle, 2001). Measures commonly used for job satisfaction such as the job descriptive index (Smith, Kendall, & Hulin, 1969) and the Minnesota satisfaction questionnaire (Weiss, Dazis, England, & Lofquist, 1967), are similar to engagement measures, as they measure factors relating to supervision, pay, promotional opportunities, coworker relations etc, but do not include items relating to behavioural engagement such as discretionary effort, and company advocacy. In this context, job satisfaction has been termed a passive state, and engagement an active state (Blizzard, 2004). As a further comparison, the Melcrum Report described satisfaction as “what gets employees to show up for work. It’s the base level of employee contentment – whether or not they can do the job, how happy they are with their pay, [and] how well they like their work environment”, but in terms of discretionary effort they have no desire to “go the extra mile”(Melcrum Publishing,

2005, p. 6). Ray Baumruk from Hewitt Associates is in agreement with Melcurn's comments stating that job satisfaction is about "how people like it here", as opposed to measuring behaviours that will help organisations become more successful (Gorman, 2006). However, there are differing views on whether job satisfaction is an antecedent to or consequence of engagement. Andrew Brown from Mercer Delta Consulting views engagement as a progressive combination of satisfaction, motivation, commitment and advocacy, positioning job involvement as an antecedent of engagement (Melcurn Publishing, 2005). On the other hand, Saks (2006) used multiple regression analysis to confirm job satisfaction as a consequence of engagement. The causal relationship between job satisfaction and engagement is still to be confirmed.

Organisational Commitment

Organisational commitment appears to be the most closely related construct to engagement, as engaged employees behave in similar ways to committed employees. According to Mowday, Steers, and Porter (1979), a committed employee believes in the organisation's goals and values, has a desire to remain with the organisation, and is willing to exert effort on behalf of the company. Meyer and Allen (1991) divided organisational commitment into three separate and measurable components: affective, normative, and continuance², of which engagement commentary has claimed affective commitment to be the most closely related to engagement. When defining engagement, Coffman and Gonzalez – Molina (2002) explain that the stronger the intensity of the emotional connection felt from the employee toward the organisation (affective commitment), the greater the degree of

² Affective commitment refers to the employee's emotional attachment with the organisation. Continuance commitment exists when a person feels they need to remain with the organisation because of the costs associated with leaving. And normative commitment exists when an employee feels obligated to stay with the organisation out of a sense of duty (Riggio, 2003)

engagement, and the higher the productivity (Coffman & Gonzalez-Molina, 2002).

The notion that commitment and engagement have a direct casual link with organisational performance is still to be confirmed (Mills, 2005), and one which is explored further in this study. As previous literature has blurred the two constructs (see Robinson et al., 2004 for further clarification), this study will test the discreteness of organisational commitment and engagement, and confirm the degree of relationship between affective commitment and engagement. In terms of whether organisational commitment is an antecedent to or consequence of engagement, previous research has positioned “intention to stay” (continuance commitment) as an engagement driver or antecedent (Buckingham & Coffman, 1999); however, more recent research (Hakanen, 2002; Saks, 2006) has confirmed organisational commitment as an engagement outcome or consequence. Due to the interest shown by Walkabout management in exploring the relationship between staff turnover and engagement, the current study examined the relationship between continuance commitment and engagement, positioning continuance commitment as an outcome.

In summary, engagement appears to be clearly related to the more exhaustively researched constructs of job involvement, job satisfaction and organisational commitment. Whether engagement serves to generate these personal outcomes, or functions as an outcome variable, is still to be confirmed. By exploring the relationship between engagement and continuance commitment, this current study aims to contribute to the understanding of engagement's nomological network.

Positive Psychology and the Value of Engagement Research

Engagement has been positioned as mutually beneficial to both employees and the organisation. Positive psychology literature has provided an explanation as to why engagement benefits both parties linking engagement with wellbeing and motivation. By managing the workplace environment in a way that promotes

engagement, employees are said to be happier and the organisation's bottom-line benefits as a result (Harter et al., 2003; Keyes & Magyar-Moe, 2003). The mutual benefit can be explained by a theory often cited in positive psychology: the "happy productive worker" hypothesis. Wellbeing studies indicate that the greater the degree of positive emotions felt in the workplace (happy employees) the higher the performance ratings from their supervisors (Harter et al., 2003; Wright & Bonnett, 1997; Wright & Cropanzano, 2000). Positive affect (happiness) promotes helpfulness, generosity and social responsibility, as well as being able to think more clearly and creatively (Isen, 2003). The more satisfied employees are, the more cooperative and helpful they are, and the more time efficient they are, the less likely they are to take sick leave and the longer they tend to stay with the company (Spector, 1997). In essence, engagement operationalises happiness / wellbeing (Harter et al., 2003).

Fredrickson explained this well-being phenomenon using her "broaden and build theory of positive emotions" (1998). According to Fredrickson "certain positive emotions certain discrete positive emotions – including joy, interest, contentment, pride, and love... all share the ability to broaden people's momentary thought – action repertoires and build their enduring personal resources, ranging from psychical and intellectual resources to social and psychological resources" (Fredrickson, 2001, para 9). It's through these experiences of positive emotions that "people *transform* themselves, becoming more creative, knowledgeable, resilient, socially integrated and healthy individuals" (Fredrickson, 2001, p. 123. *Italic original*). Therefore, as argued by Fredrickson, happier employees are not only more productive, but are more likely to grow as individuals as a result of a positive work experience.

If happy workers are more productive, what is the effect on the individual and the organisation if employees are unhappy? The cost of disengagement has been

recognised at the individual, organisational and national levels. Frederickson (2001) provides an explanation as to why disengagement can become a costly issue.

The Cost of Disengagement

According to Frederickson's broaden and build theory, negative emotions "narrow the momentary through – action repertoire" (Frederickson, 2001, para. 23). The effect of negative emotions when extreme, prolonged or inappropriate result in serious problems such as phobias, anxiety disorders, aggression, depression, suicide, sexual dysfunction, eating disorders, and many stress related physical disorders (2002). In the workplace, disengagement is characterised by higher rates of absenteeism, higher staff turnover, and lower productivity (Melcrum Publishing, 2005). The cost of voluntary turnover for a company the size of Walkabout is approximately \$40 million annually³. Disengaged employees are said to drain the company financially (Coffman & Gonzalez-Molina, 2002), reacting towards others with distrust, resistance, and blame, as well as focusing on problems not solutions, and demonstrating low levels of commitment (Coffman & Gonzalez – Molina, 2002). Disengaged employees tend to do their job and nothing more (Buckingham & Coffman, 1999). In extreme cases they may undermine or badmouth the organisation (Wellins et al., 2005). According to recent Gallup research, only 20% of Australian workers are engaged (Hooper, 2006), making disengagement an expensive issue. Not only are there personal costs in terms of employees' wellbeing, disengagement is a cost to organisations in the form of lost productivity, profits and morale.

With publications highlighting the competitive advantage of engagement and the cost of disengagement, interest in this human resource tool has been global.

³ Based on 4000 employees with a staff turnover rate of 33%, at a cost of \$30, 000 per person (Wisenthal, 2004).

Several consultancy companies have provided information which compares engagement figures internationally, allowing Australia to be assessed in a global context.

A Global Perspective on Engagement

Several international consultancy firms have measured engagement levels at the national level with three companies providing figures on Australia. In 2003, the USA based research company Gallup, released the results of its third global analysis of nation – specific employee engagement levels in The Employee Engagement Index. Using Gallup's own engagement survey – Q12, 11 countries were surveyed. The United States reported the highest level of engagement with a workforce that was 27% engaged, the next highest was Chile at 25%, then Canada at 24%. Australia was ranked seventh, reporting a national engagement level of 18%, which sat just above the international average (Shaffer, 2004).

Based on its own in-house engagement survey, International Survey Research (ISR) released a report in 2004 comparing engagement across 10 different countries. Australia fared somewhat better with these results ranking second equal with the Netherlands, reporting 46% national engagement. As with the Gallup results, the United States reported the highest engagement, but only just with 47% engagement (Melcrum Publishing, 2005). The average engagement percentage for this report was 40%.

Hewitt Associates conducts an annual engagement survey across Australia every year. In a 2004 report, 12 nations were compared on their levels of engagement (Hewitt Associates, 2004a). Instead of reporting a national percentage, Hewitt Associates published the average engagement score according to its in house engagement survey. More Asian countries were included in this sample compared to the Gallup and ISR surveys, which pushed Australia back to eighth

position, reporting an average engagement score of 56%. This score fell short of the overall average by 2.5%. Interestingly, the United States still reported a higher score than Australia with 60%, but was ranked seventh overall. The highest scoring nation was the Philippines with a score of 75%, followed by Taiwan with 68 %. Interestingly, Walkabout participated in the 2004 Hewitt survey, scoring 84% engagement, well above the national average for that year.

Each consultancy company used a different measure of engagement, had its own method of reporting its result, included different countries within its sample, and conducted the research in different years. These findings were also clouded by the fact that each consultancy used a different definition of engagement and a different measure. However, what can be taken from the data is that Australia's engagement levels are about average when compared to international rankings. Australia consistently fared better than Western European countries such as France and Germany, but was lower than the United States. The current study aims to increase understanding on what drives engagement for employees in an Australian organisation, providing valuable insight into how Australian companies could manage engagement more successfully.

To ensure that the insights gained from this study are informed by a comprehensive understanding of the engagement construct, four of the main engagement models and measures identified in the literature are reviewed in the following chapter. Each provides valuable insights into the understanding of engagement. Taking into account the unique qualities of the Walkabout case, the four models reviewed were incorporated into a new engagement model which was designed to explain how engagement operated in this Australian organisation.

CHAPTER TWO: A REVIEW OF THE MAIN ENGAGEMENT MODELS AND

RELATED THEORY

Both academic and commercial research provides valuable insights into the developing construct of engagement. In order to conceptualise how engagement operates and is measured, four main engagement models were reviewed: two models from the academic stream were identified in conjunction with two commercial models each providing different theory contributions and case study information. The academic models presented by Maslach and Leiter (2004) and Schaufeli and Bakker (2004) are reviewed first. Then, because academic research does not always humour practice, two main consultancy models presented by the Gallup Organisation and Hewitt Associates are examined. This chapter critiques all four models, amalgamating the relevant components from each to form a new engagement model which serves to explain how engagement operates at Walkabout.

Academic Based Models

Within academia, there is a dearth of research on engagement (Saks, 2006). However, empirical research by Leiter and Maslach (1997, 1999) and Schaufeli and colleagues (2002) provided in-depth analyses of the engagement construct, both producing valid engagement measures. In addition, theses studies contextualized engagement in relation to a discriminant construct: burnout, which appeared relevant to the anomaly of high staff turnover and high engagement existent at Walkabout. These research streams were selected above other academic based engagement research because of the rigor and depth displayed in the research, and the number of subsequent publications which contributed to the understanding and application of engagement.

The Burnout / Engagement Model

Over twenty years of burnout research provided the theoretical basis for Maslach and Leiter's concept of engagement (see Maslach, Schaufeli, & Leiter, 2001 for a review). Maslach began her work on burnout in 1976 with her qualitative research involving human service workers (Maslach, 1976). Later, more empirical based research (Maslach & Jackson, 1981) led to the Maslach Burnout Inventory (MBI). However, it was not until the late 1990s that Maslach and Leiter introduced the concept of engagement: burnout's antithesis. This shift in emphasis from the negative (burnout) to the positive (engagement) paralleled the development of positive psychology, which focused on promoting employee strengths as opposed to "fixing" weaknesses (see Seligman & Csikszentmihalyi, 2000; Turner, Barling, & Zacharatos, 2002). The emphasis on engagement provided the opportunity to view the workplace as a setting capable of enhancing employee wellbeing and productivity (Leiter & Maslach, 2004). Thus, engagement took centre stage and theory and measures were developed.

Definitions.

Leiter and Maslach (2004) defined burnout as "a psychological syndrome of exhaustion, cynicism, and inefficacy, which is experienced in response to chronic job stressors" (p. 93). It is a cumulative reaction to job stress and is therefore a pervasive chronic experience. Engagement, on the other hand, is defined as an enduring state of energy, involvement and effectiveness that results from a successful match between employees and their environment (Leiter & Maslach, 2004). As engagement is the antithesis of burnout, Maslach and Leiter argued that it could be measured by using the Maslach Burnout Inventory – general survey (MBI – GI) (Maslach, Jackson, & Leiter, 1996). A high engagement score would report negative scores on the exhaustion and cynicism subscales with a positive score on

self efficacy (Leiter & Maslach, 2004). The continuum concept of burnout and engagement is depicted in the following model.

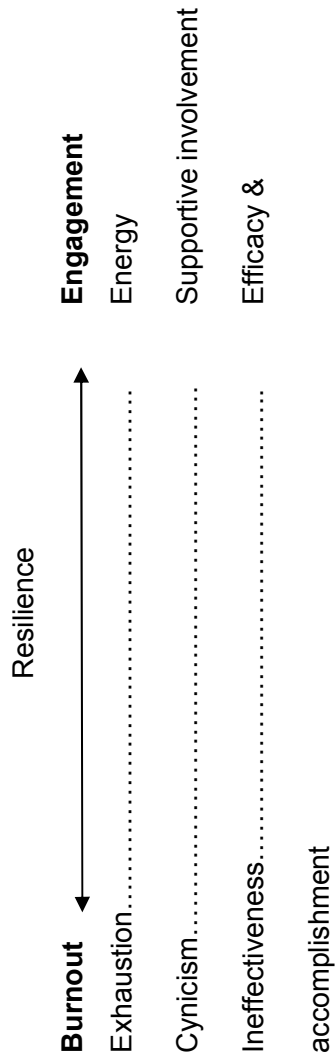


Figure 2.1 Leiter and Maslach's burnout / engagement continuum (adapted from fig

1.1. Leiter & Maslach, 2000b, p. 3)

The Burnout / engagement continuum explained how employees' reactions to the workplace can move along a dimension based on their individual resilience. An employee could become either exhausted or energised depending on how they perceived their work environment. They could interact with coworkers in an involved, supportive way or with hostile cynicism. Their confidence in their work abilities could also fluctuate between a sense of accomplishment or feeling ineffective (Leiter & Maslach, 2000b). To summarise, engaged employees were likely to have high energy levels, demonstrate positive and supportive work relationships, and experience a sense of accomplishment with what they achieved at work; whereas, employees experiencing burnout felt exhausted, cynical towards others, and ineffective.

Underlying theory.

The fundamental cause of burnout or disengagement according to Maslach and Leiter (1997) was when employees' expectations were not met by their work experience, or there were unacceptable changes to their work environment. In other words, there was a mismatch between expectations and reality. Ideally, expectations were discussed on hiring, and if maintained, these employees were engaged and remained with the organisation. Employees' expectations were based on a perceived balance of give and take between themselves and the organisation. Such is the basis of equity theory (Adams, 1965), which operates as the underlying principle to Maslach and Leiter's explanation of engagement (Leiter & Maslach, 1999). A key assumption of equity theory is that people strive for balance between what they "invest" in a particular relationship (e.g. time, effort, enthusiasm) and what they receive in return (e.g., status, recognition, and pay) (see Buunk & Schaufeli, 1999). A perceived imbalance on either party's side has negative consequences (Cropanzano, Rupp, & Byrne, 2003). However, the balance of give and take is not the complete picture. People evaluate the level of reward they receive in comparison to what others in their reference group receive (Leiter & Maslach, 1999). In terms of the employer / employee relationship, if original expectations are not met, and over time, the employee feels they are continually investing more than they are receiving, or are not receiving rewards comparable to their colleagues, employees can become disengaged and burned out.

Recent research by Saks (2006) described engagement in similar terms using social exchange theory which is built on the premise of mutual commitment that evolves out of reciprocal interdependence. However, social exchange theory does not have the component of social comparison included in equity theory. Saks (2006) hypothesised that when an employee receives "economic and socioemotional" resources from their organisation they feel obligated to respond in

kind. They do this by choosing to engage themselves in their work, by devoting greater amounts of cognitive, emotional and physical resources to their job.

Maslach and Leiter (1997) identified six areas within the workplace setting that contained critical factors thought to result in engagement or burnout. These areas included: workload, control, fairness, reward, community, and values. It is these areas that other engagement researchers refer to as engagement drivers as they function as aspects of the work environment that, when effectively managed, “drive” engagement.

Workload: refers to the amount of work to be done in a given time. An engaged employee is able to remain so if their workload is sustainable (Leiter & Maslach, 2000b). If employees are placed under continual workload pressure, coworker relations, innovation and output quality are compromised (Maslach & Leiter, 1997).

Control: refers to employees feeling involved in decisions that affect their work, of being able to utilise their professional autonomy, and of being able to gain access to the resources they need to do their job effectively. (Maslach & Leiter, 1997).

Reward: refers to employees expectations concerning rewards; monetary, social, and intrinsic (Maslach & Leiter, 1997). Perceived fairness of pay and recognition from colleagues is required to maintain engagement (Leiter & Maslach, 1999; Maslach et al., 1996).

Community: encompasses the overall quality of social interaction at work, including: conflict issues, mutual support, closeness, and teamwork (Leiter & Maslach, 2004). People function best when they experience praise, comfort, happiness, humour and share these things with those they like and respect. A lack of connection with colleagues erodes engagement (Maslach & Leiter, 1997).

Fairness: is composed of three essential elements; trust, openness and respect. In other words, “when an organisation achieves community, people trust one another to fulfill their roles in shared projects, communicate openly about their intentions, and show mutual respect” (Maslach & Leiter, 1997, P. 51).

Values: a match in values is a core component to an employee's relationship with their work (Maslach & Leiter, 1997). If employees are given the opportunity to work in a role that supports their personal values they are more likely to be engaged (Leiter & Maslach, 2004). These six areas within the workplace formed a starting point for the engagement drivers included in the proposed engagement model (see figure 2.7).

Measures.

The six work environment categories were measured by the Areas of Worklife Scale (AWS) (Leiter & Maslach, 2004). These were treated as engagement antecedents. The AWS was tested on 8,339 participants providing a consistent factor structure which reported high correlations with the three burnout dimensions on the MBI-GI (Leiter & Maslach, 2004). Employees who perceived a good match with the work environment scored high on the AWS and low on the MBI-GI.

In terms of engagement consequences or outcome measures, Leiter and Maslach (2004) researched the effect of engagement on employees' evaluation of general change within the organisation. This measure was chosen as it was assumed that an acceptance of change was an important attitude in a market which demanded constant internal adaptation in order for organisations to stay competitive. Results confirmed engagement as a mediator between the work environment (the AWS) and employees' acceptance of change.

Summary and critique.

The work by Maslach and Leiter contributed to engagement theory by illustrating how workplace environments, effectively managed, produced highly engaged employees and reduced the occurrence of burnout. The more engaged these employees were, the more positive they were about organisational change, and the more resilient they were to workplace stress (Leiter & Maslach, 2004) The current project used a combination of drivers from the AWS as a starting point in establishing the drivers in the Walkabout case. The outcome “acceptance of change” was relevant for inclusion but other outcome measures which focused on financial performance took priority.

A concern in using the MBI – G1 as an engagement measure for this study was the “negative” language contained in the items. To use this scale in the current study was considered problematic, as Walkabout management were reluctant to survey their employees with a measure they considered to be confusing for employees as, at face value, the items measured burnout and not engagement. In addition, the preferred organisational language at Walkabout was “positive,” explaining why management did not feel comfortable using a survey that included “negatively” worded items such as “I feel emotionally drained from my work” and “I feel tired when I get up in the morning and have to face another day on the job” (Maslach et al., 1996).

Another concern was that the model was based on the assumption that engagement and burnout were polar opposites. Further research has questioned this (see Schaufeli and colleagues below) largely negating the use of the MBI - G1 as a valid engagement measure.

The Demands and Resources Engagement Model

A group of Dutch researchers working on employee wellbeing elaborated on Maslach and Letier's burnout and engagement research. Further insights into the relationship between burnout and engagement were demonstrated by incorporating the job demands and resources model (JD – R model) with engagement. Schaufeli et al. (2002) agreed with Maslach and Leiter that engagement and burnout were conceptually opposite, but they believed that engagement was better operationalised using a different measure, proposing that the underlying structures of the two constructs were not the same. Schaufeli and colleagues (2002) developed a new measure for engagement: the Utrecht work engagement scale (UWES). They extended existing theory by combining engagement with the JD – R model which explained the dual process of burnout and engagement (Schaufeli & Bakker, 2004).

Definitions.

Schaufeli et al. (2002) defined engagement as a positive, fulfilling, work-related state of mind characterized by vigor, dedication, and absorption. A definition of each sub construct is described in the following quote:

Vigor is characterised by high levels of energy and mental resilience while working, the willingness to invest effort in one's work, and persistence also in the face of difficulties. Dedication is characterised by a sense of significance, enthusiasm, inspiration, pride and challenge...absorption is characterised by being fully concentrated and happily engrossed in one's work (Schaufeli & Bakker, 2004, p. 295).

Of the three factors that make up Schaufeli and colleagues' version of engagement, vigor and dedication were similar in concept to Maslach and Leiter's

energy and involvement factors. As mentioned in chapter one, the third factor absorption, introduced something different. With certain similarities to Csikszentmihalyi's (1990) concept of flow, absorption referred to the level of immersion an employee experienced when working. Although Schaufeli et al. scale measures *work engagement* they explain it as an “affective – cognitive” state of being that is not focused on any particular object, event, individual, or behaviour (Schaufeli, Salanova et al., 2002, p. 74).

Underlying theory.

Schaufeli and colleagues (Schaufeli, Salanova et al., 2002) disagreed with Maslach and Leiter (1997) that engagement and burnout were polar opposites. Based on theoretical analysis from a previous study (see Schaufeli et al., 2001), Schaufeli and colleagues proposed that engagement would be better measured using a factor structure composed of vigor, dedication, and absorption as opposed to Maslach and Leiter's burnout factor structure of exhaustion, cynicism, and reduced professional efficacy. In addition, Schaufeli and Bakker (2004) proposed that burnout and engagement were generated by two different psychological processes which worked on the balance of job demands and resources⁴. The *energetic process* served as a theory explanation for the generation of burnout. Maslach (1993) argued that burnout was caused by excessive job demands (e.g. time pressure, work

⁴ Job demands were defined as work aspects that require sustained physical or mental effort and therefore required certain physiological and psychological expenditure (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001). For example emotionally demanding interactions with clients or customers would be regarded as a 'psychological cost' (Bakker, Demerouti, Taris, Schaufeli, & Schreurs, 2003). Job demands are not necessary negative, but they can turn into job stressor when meeting those demands required sustained personal effort from which an employee does not get the opportunity to recover (Meijman & Mulder, 1998). Job resources on the other hand were defined as the physical, psychological, social, or organisational aspects of work that served to reduce job demands and the associated physiological and psychological costs, while helping to achieve work goals, or stimulate personal growth, learning, and development (Demerouti et al., 2001). Job resources could be organisational, (e.g. salary, career opportunities, training), interpersonal (e.g. leader and colleague support), work related (role clarity, autonomy), and task related (e.g. performance feedback, adequate challenge) (Bakker, Demerouti, Hakanen, & Xanthopoulou, 2007).

overload) which drained the employee's energy. Any work environment where job demands were high (and job resources were low), employees become energy depleted, undermining their motivation (Demerouti et al., 2001). In an attempt to cope with the resulting exhaustion, employees withdrew mentally, leading to disengagement. The *motivational process* served as a theory explanation for the generation of engagement. According to Schaufeli and Bakker (2004) adequate job resources lead to engagement by functioning as either intrinsic or extrinsic motivational factors. Intrinsic motivational factors included job resources that fulfilled basic human needs such as autonomy, competence, and relatedness⁵. For example, "proper feedback fosters learning, thereby increasing job competence, whereas decision latitude and social support satisfy the need for autonomy and the need to belong, respectively" (p, 298). Extrinsic motivational factors referred to an abundance of job resources cultivating a willingness in employees to dedicate their efforts and abilities to the task at hand⁶. For example, "supportive colleagues and proper feedback from one's supervisors increase the likelihood of being successful in achieving one's work goals" (p, 298). Put simply, job resources motivated employees to invest themselves in their work (Bakker et al., 2007).

Measures.

Schaufeli and Bakker (2002) tested the hypothesis that engagement and burnout were distinct constructs by examining the factorial structure of each. Burnout was measured using the MBI – GI, and engagement was measured using the UWES. Results confirmed the original three factor burnout structure (exhaustion, cynicism, and reduced professional efficacy) and a new three factor engagement structure (vigor, dedication, and absorption). These results were confirmed in subsequent

⁵ As supported by Deci and Ryan's Self – Determination theory (Deci & Ryan, 1985).

⁶ Such is the basis of the Effort - Recovery model (Meijman & Mulder, 1998).

studies (Hakanen, 2002; Hakanen, Bakker, & Schaufeli, 2006; Schaufeli & Bakker, 2004; Schaufeli, Martinez, Marques Pinto, Salanova, & Bakker, 2002).

In a later study, Schaufeli and Bakker (2004) incorporated the UWES into the JD – R model⁷ which introduced the energetic and motivational processes that explained burnout and engagement. The energetic and motivational processes leading to burnout and engagement are depicted in figure 2.2.

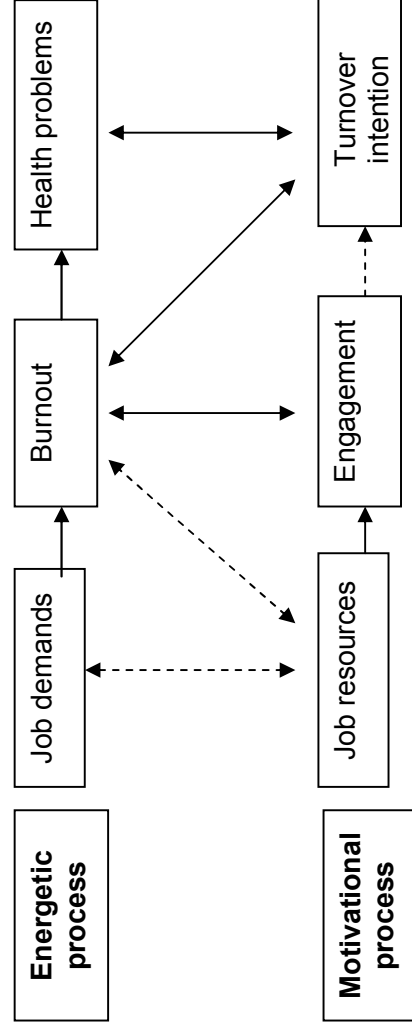


Figure 2.2 Schaufeli and Bakker's (2004) research model (p. 297). Solid arrows represent a positive relationship; dashed arrows represent a negative relationship.

Bakker (2004) predicted that excessive job demands (work overload, emotional demands) led to exhaustion, resulting in burnout and related health problems. Whereas sufficient job resources (feedback, social support, supervisory coaching) were motivational; enhancing engagement, and reducing the desire for staff to leave. In addition, adequate job resources were predicted to reduce burnout, and burnout was predicted to increase employees' intention to leave. Schaufeli and Bakker's hypotheses were confirmed. Adequate job resources led to engagement and low intention to leave while excessive job demands led to burnout, health

⁷ The JD – R model extends the theory of two prior balance models: namely the demand – control model (Karasek, 1979) and the effort reward imbalance model (Siegrist, 1996).

problems, and staff turnover. In recent research, Bakker et al. (2007) established additional relationships between job demands and resources. In a study involving 805 Finnish teachers, job resources helped to buffer the negative effects of job demands. In particular supervisor support, innovativeness, appreciation, and organisational climate were important job resources which helped teachers cope with the demanding interactions of students. Translating these findings into a business setting, job resources such as supervisory support, career opportunities, and efficient work systems could function to reduce job stressors, acting as preventative measures for burnout. Put differently, “the negative relationship between job demands and work engagement is weaker for those enjoying high job resources” (Bakker et al., 2007, p. 275 - 276). Implications for the Walkabout case concern the prevalence of high job demands, which were intensified by an incentive based reward scheme. The notion of balance between job demands and resources, and the buffering of high job demands via the supply of adequate job resources was raised as an important concept during project one and is discussed in chapter eight.

Since the establishment of the JD - R engagement model (Schaufeli & Bakker, 2004), research has questioned whether the relationship between engagement drivers / engagement / and engagement outcomes is always best explained using a linear perspective. Llorens et al. (2004) proposed that the relationship between job resources, engagement and outcomes could be explained by a “positive gain spiral” in which engagement increased efficacy beliefs, which increased task resources over time. Positive spirals have also been noted in the positive organisational scholarship literature using Fredrickson’s broaden and build theory of positive emotions (Fredrickson, 2003); as discussed in chapter one. In terms of disengagement (or burnout), research demonstrating negative spirals is scarce; however, negative spiral relationships have been confirmed for related constructs such as work pressure, work – home interference and exhaustion

(Demerouti, Bakker, & Bulters, 2004). It was anticipated that positive spiral gains may be evident in the Walkabout case, particularly in relation to the effect of engagement on personal outcomes. This is discussed further in chapter eight.

Summary and critique.

Schaufeli and colleagues refined the engagement construct, providing a validated engagement measure that was incorporated into the JD – R model. By operationalising engagement and burnout using different measures, it was concluded that the antecedents and consequences of each were not only different, but that they were driven by different processes: burnout was driven by an energetic process, and engagement was driven by a motivational process. These dual processes, along with the balance of job demands and resources, were considered an important addition to engagement theory and one which appeared to have particular relevance for this study. During an initial meeting with Walkabout management, the concern of high staff turnover was raised (annual rate of 33% according to internal company reports), which was an unusual phenomenon considering the high engagement results the company had scored on the Hewitt Associates Best Employer's survey (which is reviewed later in this chapter). The JD – R model provided a potential explanation for this. It was anticipated that strong motivational factors were generating engagement, while at the same time excessive work demands were inciting burnout, resulting in staff turnover.

Replication of Schaufeli and Bakker's (2004) model was considered for this study, as the underlying theory explanations were relevant and the model contained a certain amount of flexibility in terms of antecedents (drivers) and consequences (outcomes). However, key drivers needed to be confirmed for the current case and to replicate the original study would have involved the administration of selected items from four different scales (see Karasek, 1985; Van Veldhoven, De Jong,

Broersen, Kompier, & Meijman, 2002; VanVeldhoven, De Jong, Broersen, Kompier, & Meijman, 1994), some of which were unpublished.

An engagement scale that is relatively easy to administer is the Gallup Organisation's Q12 engagement survey that contains only 12 items on one validated scale. The Q12 has been administered worldwide, measuring engagement in work settings for over 25 years.

Consultancy Based Models

There are two consultancy based models included in this literature review; both were selected based on the rigor displayed in the research, the length of time they have been in operation, and whether they had published research on Australian organisations. The Gallup Organisation's model and Hewitt Associates model were deemed the most appropriate considering the criteria.

The Gallup Engagement Model

Gallup's research has shown highly engaged employees are more likely to stay with their firm, have higher levels of customer loyalty, and their workplaces are safer, more productive places to work. Stress and theft levels fall and employees' own satisfaction with their lives increases (Hooper, 2006).

The Gallup Organisation has one of the longest running engagement data collection and analysis programs involving the assessment of more than two million employees (Coffman & Gonzalez-Molina, 2002). Gallup research straddles commercial and academic literature with its own research journal⁸, several popular

⁸ The Gallup Journal: a non- refereed Journal.

business books (see First Break all the Rules, Follow this Path, Investing in Strengths), and several publications in academic journals (Harter, 2000; Harter et al., 2002). The Gallup model is succinct and time efficient to implement, making it an attractive measure to use in applied settings.

Definitions.

Gallup based research defines engaged employees as those who are loyal and psychologically committed to their organisation (Coffman & Gonzalez-Molina, 2002). The point of difference with Gallup's view on engagement is its strong emphasis on the emotional aspect of engagement (Buckingham & Coffman, 1999). Anchored in positive psychology (see Harter et al., 2003), Gallup has based its engagement theory on the premise that workplace environments, when managed effectively, enhance positive emotions, generating greater productivity. Such a phenomenon is explained by Fredrickson's broaden and build theory (Fredrickson, 2001; 2003; Harter, 2000). Harter (2000) argued that "when employees' basic needs are met and positive emotions are experienced more frequently, this "broadening and building" becomes one source of differentiation between highly productive and less productive work groups" (Harter, 2000, p. 217). Essentially, the greater the intensity of the emotional connection felt from the employee toward the organisation, the greater the degree of engagement, and the higher the productivity (Coffman & Gonzalez-Molina, 2002).

Underlying theory.

The Gallup model is a *needs based* model; if employees' needs are met, then they will remain engaged. Researchers using the Gallup model explain that employees' needs are not static, but change over time; therefore, engagement drivers differ in importance depending on the length of tenure. When employees are

first employed by an organisation, they need to know what is expected of them and what rewards they can expect in return (Coffman & Gonzalez-Molina, 2002). This is achieved through clear job descriptions, goal setting, and well-communicated remuneration packages. As they settle into their job, they need to feel valued as a person and for the work they do. This is achieved through constructive feedback. As time progresses employees will assess if their personal values are a good match with the organisation's. This match should be considered at the time of hiring. Finally, employees want to grow and progress, and need opportunities to do so.

Researchers using the Gallup model argue that the order in which employees' needs are met is important. Organisations should seek to meet employees' needs in the order presented above. For example, if growth needs are being met, but employees do not feel valued for the work they do, or feel they are not being fairly paid, then "employees will burnout, become unproductive, and leave" (Buckingham & Coffman, 1999, p. 46). Companies that address higher order needs without covering more basic needs often waste time and money and achieve little in terms of business outcomes. This needs based model is similar to Maslow's Hierarchy of Needs (see Robbins, Millett, Cacioppe, & Waters - Marsh, 1998 for theory explanation).

Apart from references to Fredrickson's broaden and build theory (2001) and Khan's personal engagement work (1990), the Gallup model used its own research findings to explain how engagement operated. As a commercial based model, business performance was at the core of its rationale. To illustrate the linkage between management practices, engagement, and profits, Gallup researchers devised a model called the Business Performance Pathway. This model is similar to Heskett et al's Service Profit Chain (Heskett, Sasser, & Schlesinger, 1997; Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994) which is becoming increasingly

popular in human resource circles as a way to link engagement to organisational performance (Parsley, 2006).

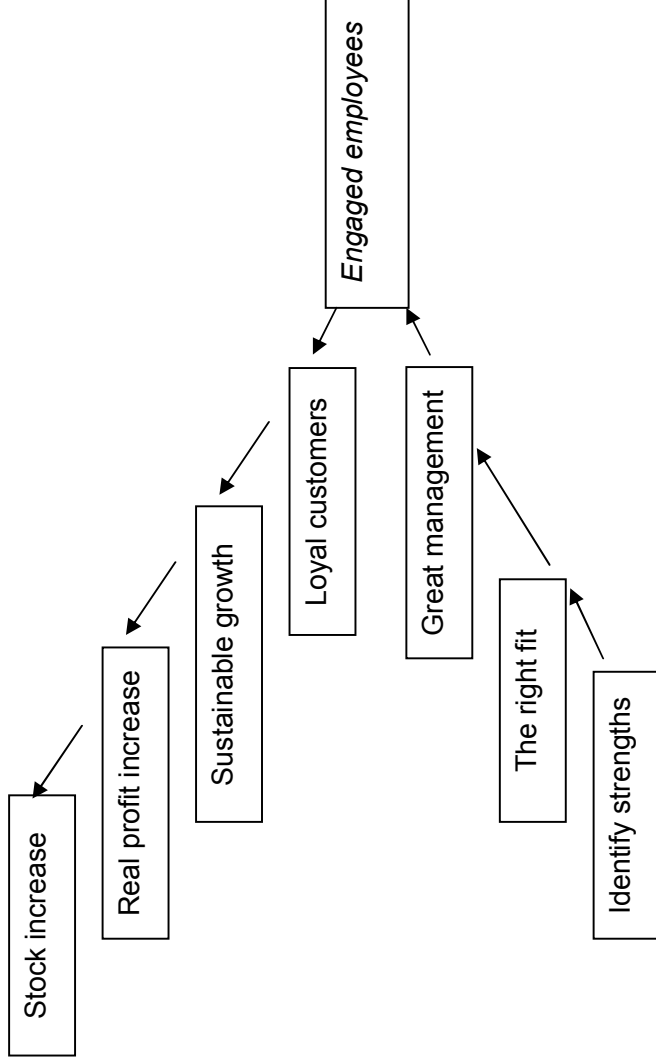


Figure 2.3 Gallup's Business Performance Pathway (Buckingham & Coffman, 1999).

In a meta analysis involving 36 companies (7,939 business units), Gallup researchers (Harter et al., 2002) evaluated the correlations between engagement (as measured by the Q12) and organisational outcomes. Highest correlations were recorded for engagement and customer satisfaction ($r = .33^9$), followed by engagement and staff turnover ($r = -.30$), engagement and safety ($r = -.32$), productivity ($r = .35$), and profitability ($r = .17$). Harter et al. argued that, based on these results "engagement [was] related to meaningful business outcomes at a magnitude that is important to many organisations and that these correlations generalise across companies" (p. 276). At face value these correlation values are small to medium (Cohen, 1988) but due to the size of the study, the results have

⁹ These r values were true score correlations corrected for measurement error.

been extensively cited in the engagement literature as evidence of a link between engagement and organisational performance (Bakker et al., 2007; Gelade & Young, 2005; Schneider, Hanges, Smith, & Salvaggio, 2003; Takeuchi, Lepak, Wang, & Takeuchi, 2007).

Measures.

The methodology used in developing the Gallup engagement measure Q12 was slightly different from other models reviewed. Taken from over one million surveys and interviews completed worldwide, survey items were selected based on those questions to which high performing employees responded most positively (Buckingham & Coffman, 1999). In essence, the Q12 was designed to reinforce an environment that supported talented employees. From the initial data collection, five themes regarding workplace management emerged as important in terms of maintaining engagement (Buckingham & Coffman, 1999). The final 12 items were derived from these themes as listed:

1. Work environment and procedures: including the physical work environment such as safety, cleanliness, pay, benefits and policies.
2. Immediate manager: including issues related to the behaviour of the immediate manager, such as selection, recognition, development, trust, understanding, and discipline.
3. Team / Co – workers: including employees' perceptions of team members such as cooperation, shared goals, communication and trust.
4. Overall company and senior management: including company initiatives, employees' faith in the company's mission and strategy, or the competence of the leaders themselves.
5. Individual commitment or service intention: including employees' sense of commitment to the company and to customers such as pride in the company,

the likelihood of recommending the company to friends as a place to work, the likelihood to stay with the company for their whole career, and the desire to provide excellent service to customers.

These five factors explained almost all of the variance in the data with one's immediate manager being the most powerful influence (Buckingham & Coffman, 1999).

The 12 items that make up the Q12 were designed to assess how well employees' needs were met. The order of questions represents the order in which employees' needs should be addressed. The scoring from the Q12 divides employees into three categories which represent three states or levels of engagement¹⁰ (Blizzard, 2003). These were derived from mutually exclusive score combinations on the Q12 (Coffman & Gonzalez-Molina, 2002).

1. Engaged: employees are loyal and psychologically committed to their organisation. They willingly give their discretionary effort.
2. Not engaged: employees tend not to be psychologically connected to the organisation or their job.
3. Actively disengaged: employees are physically present but psychologically absent. They are generally unhappy with their work situation.

Generally speaking, one third of employees fall into each category.

Towers Perrin consultancy group (2003) argues that when it comes to engagement interventions, the 'not engaged' group are the employees to target as they have the most potential for improvement using the least resources. Actively disengaged employees should be encouraged to leave as it is unlikely they fit the organisational culture and may well be a financial drain on the company.

¹⁰ Score cut off points or formulas were not given in the literature.

Summary and critique.

Essentially, the Gallup model was concerned with intensifying the emotional connection employees felt toward the organisation by managing the work environment in such a way that supported the needs of the company's most engaged employees. Doing so had direct positive impact on customer loyalty, growth and company profits. With only 12 items to administer, the brevity of the Q12 had appeal for applied settings. Arguably, this brevity could miss the complexity involved in the engagement construct, as engagement drivers are not measured using separate sub constructs. In defense of this criticism, Anita Pugliese, from the Gallup institute in Sydney, explained that survey results from the Q12 provided the initial data which was used as a launching pad for work groups to tease out engagement issues and devise their own action plans for improving engagement. Getting team members *talking* with each other and their manager was considered the key in terms of developing engagement further (personal conversation, Gallup Business Development Manager, January 19, 2006).

The Q12 did not provide a measure for engagement *per se*, but measured the environment that supported the most productive and talented workers. It also did not accommodate different sub constructs of engagement: emotional, intellectual and behavioural engagement. Other research noted the importance of this distinction. Consultancy group Towers Perrin (2003) argued that an imbalance in these three engagement components could indicate problems with engagement sustainability and therefore needed to be measured separately (Towers Perrin, 2003). For example, in a tight labour market, which is Australia's current position with a workforce with high intellectual engagement, but low emotional engagement can indicate a risk of staff turnover, as employees with low emotional engagement can be enticed by attractive employment alternatives. A different consultancy group that does measure emotional, intellectual, and behavioural engagement is Hewitt

Associates. The Hewitt model indicates that if employees are intellectually and emotionally engaged, then behavioural engagement will follow.

The Hewitt Engagement Model

Today's best talent are street smart. They can see window dressing incentives and ad hoc efforts to create a happy ship at work. But when a company makes a real effort to offer satisfying work, communicate regularly and honestly about the organisation's goals and invest in the development of individuals, then the power of passionate workers can emerge (Hewitt Associates, 2001b, para. 8).

Consultancy group Hewitt Associates has been conducting engagement surveys in Australia since 2000. In 2005, its fifth year of operation, more than 40,000 employees from Australia and New Zealand took part in the survey, making it the largest employee research project and market practice audit in Australia and New Zealand (Hewitt Associates, 2005b). As a commercial model, its main focus has been identifying "Best Employers" and outlining the policies, practices, culture, and structures that are common to these organisations. As with the Gallup model, Hewitt researchers argue that engagement is the 'lynch pin' that all Best Employers use to achieve significantly higher profit results than other participating organisations.

Walkabout participated in four out of five survey implementations prior to 2006 making the Best Employers list for three of those years. Hewitt results indicated that engagement in Australia was on the increase with Best Employers averaging an increase of 72% in 2000 to 81% in 2005 (Hewitt Associates, 2005b). Of the 19 drivers measured in the Hewitt survey, the top 4 drivers in order of importance were; internal career opportunities, the perception that the company valued its

employees, favourable people policies, and adequate recognition for a job well done (Hewitt Associates, 2005b).

Definitions.

Hewitt explained employee engagement as “the state of emotional and intellectual involvement that an employee has with their organisation” (Hewitt Associates, 2004a, p. 5). Engaged employees “are those individuals who want to and do actually take action to improve the business results for their organisation” (Hewitt Associates, 2004a, p. 5). According to Hewitt researchers, engagement incorporated the connection or association employees felt toward the organisation itself, its culture, values, people, and the work role they perform. The Hewitt model depicts engagement as an outcome of employees’ work experience which was characterised by three types of behaviours, stay, say and strive (Hewitt Associates, 2004a, p. 5). These behaviours are now described:

- Stay: “employees have an intense desire to be part of the organisation, rather than another”.
- Say: “they are strong advocates for the organisation; they speak positively about their workplace...to their friends, clients and potential customers”.
- Strive: “they exert effort and contribute to the business success with passion and motivation that only they can give”.

It was these behaviours that drove the favourable business results reported by Best Employers. Best Employers, as opposed to *Other Organisations*, were those “that create strong and sustainable business results by engaging their employees and aligning their people practices with business strategy” (Hewitt Associates, 2005b, p. 1). In 2005, Best Employer organisations averaged 81% engagement whereas Other Organisations averaged 54% engagement. Best Employers generated 50%

more revenue growth and almost three times more profit than Other Organisations (Hewitt Associates, 2005b). The link between engagement and business performance was consistent across all markets and all countries surveyed by Hewitt Associates in the past five years (Hewitt Associates, 2005b). Similar to Gallup researchers, Hewitt researchers have described the impact of engagement in terms of the Service Profit Chain (Heskett et al., 1997). In a case study involving a large residential property owner organisation with 7,000 employees, a 15% increase in engagement scores led to 13% increase in customer satisfaction, a 22% reduction in staff turnover, and a 9.6% increase in operating income. The relationships between engagement and these outcomes are depicted in figure 2.4.

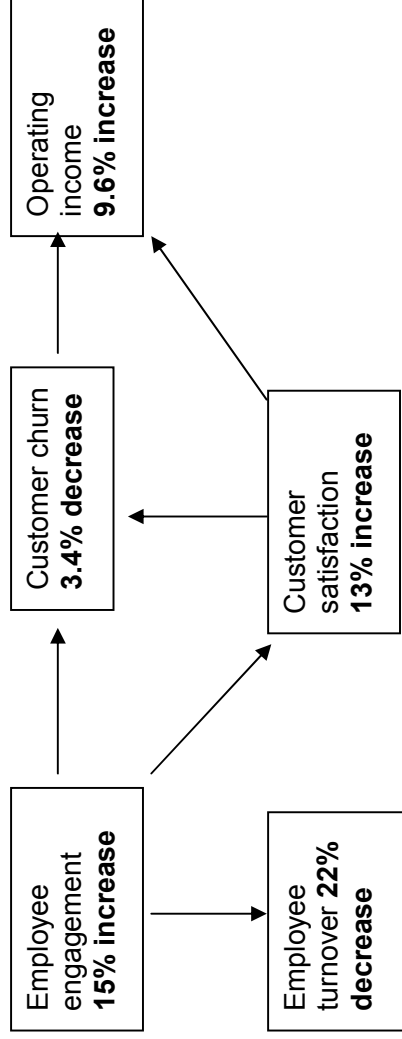


Figure 2.4 Service Profit Chain – case study example (Hewitt Associates, 2005b, p.

11)

Hewitt's service profit chain explains how engaged employees positively influence customer perceptions which translate into operational income. Hewitt Associates describes the causal relationship between engagement, customer satisfaction and company profits:

When employees are committed to and are passionate about the organisation's success and brand, they are more likely to feel compelled to work hard to exceed customer expectations and to provide exceptional service and value in their customer interactions. As a result, customers feel satisfied and their loyalty to the brand increases, subsequently increasing revenue growth and profitability (Hewitt Associates, 2005b, p. 11).

Another favourable engagement outcome identified by Hewitt Associates was the increase in total shareholder return (TSR)¹¹. Based on research involving nearly 2,000 companies, Hewitt Associates maintained that companies with higher engagement scored higher on total shareholder returns (Gorman, 2006). More specifically, organisations that maintained engagement levels above 60% had an average shareholder return of 20.2%. Organisations that reported engagement levels between 40% and 60% had an average shareholder return of 5.6%. And for organisations that reported engagement levels below 40%, total shareholder return averaged -9.6% (Hewitt Associates, 2005b). Hewitt concluded that organisations that had large numbers of disengaged employees suffered in terms of "employees destroying value and eroding potential business performance" (Hewitt Associates, 2004a, p. 29).

Underlying theory.

Like the Gallup model, Hewitt researchers approached engagement from an applied perspective. The Hewitt literature did not cite any specific theory as the basis to its model, but explained engagement as what attracted and retained talented employees (Hewitt Associates, 2004a). Organisations ranked as Best Employers were those most proficient at this. Hewitt researchers identified four main aspects

¹¹ TSR represented the change in capital value of a listed organisation over a one year period, plus dividends, expressed as a percentage of the opening value.

that differentiated Best Employers from other organisations (Hewitt Associates, 2005b):

1. The provision of a meaningful work experience where employees took on a higher purpose by supporting the company's vision;
2. The provision of professional development through training opportunities;
3. The development of a performance driven culture that also emphasised fun and celebration;
4. A people centred leadership approach that communicated clear expectations for employees that were challenging, meaningful, and linked personal goals with the company's strategic direction.

In terms of driving engagement, senior leadership was considered most important as it explained more than 40% of the variation in engagement scores (Bennett & Bell, 2004). This concept challenged research findings from the Gallup model which positioned the immediate manager rather than senior leaders as the most important factor in creating engagement. This argument is tested in the current study.

Measures.

The Hewitt model was first developed in 1994, signalling a shift in focus from measuring employee satisfaction to measuring employee engagement (Bennett & Bell, 2004). The change was based on the belief that measuring satisfaction did not necessarily lead to finding ways to motivate and retain employees of which both are main focuses for Hewitt Association's Best Employers survey.

The Hewitt model incorporated three different surveys which were used together to determine the companies chosen as Best Employers (Hewitt Associates, 2003b):

1. The 81 item Employee Opinion Survey (EOS) filled in by employees. The survey measured engagement – emotional, intellectual and behavioural, as well as employees’ opinions on the inclusive engagement drivers¹².
2. The People Practices Inventory (PPI) filled in by the human resources division. The questionnaire collected data on company policies, practices, programs, and philosophies that influenced people management within the organisation.
3. The CEO questionnaire (CEO – Q) filled in by the CEO gathered data on the people practices within the organisation.

Information collected from the three surveys is evaluated by a panel of judges. Best Employers were selected based on the organisation’s ability “to demonstrate both high levels of employee engagement (passion, commitment and drive for results) and strong alignment between people practices and organisational strategy, and internal brand” (Hewitt Associates, 2005b, p. 3).

By providing an extensive measure of employees’ opinions of their work environment (represented by the 19 drivers included in the PPI), policies and practices that had the most significant impact on engagement could be identified. Variation in factor loadings of these drivers within companies was explained by the changing needs of different demographic groups such as age and tenure. However, no matter what the composition of a company’s workforce or the company’s strategic approach, Hewitt researchers argued that engagement was driven by these 19 drivers (Bennett & Bell, 2004). These drivers were broken down into six main categories, which all contributed individually and as a collective to creating

engagement in the workplace¹³. These 19 drivers and their interrelationships are depicted below.

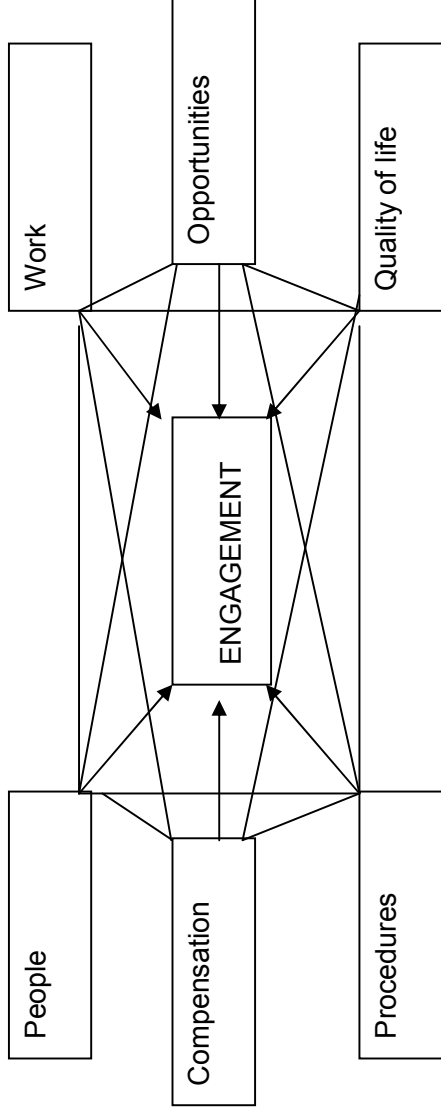


Figure 2.5 Hewitt Associates employee engagement drivers (adapted from fig 9.3 in Bennett & Bell, 2004)

In terms of Australian employees, Hewitt's 2004 data revealed a general dissatisfaction with three drivers. Firstly, career opportunities were perceived as lacking, forcing employees to consider work in other organisations. Secondly, employees wanted to feel a sense of accomplishment from their work and that they were making a worthwhile contribution. Thirdly, employees reported that they did not feel valued by their managers. Hewitt argued that these trends of dissatisfaction provided an explanation for the fact that only half of Australia's workforce was engaged (Bennett & Bell, 2004).

¹³ There were 19 driver categories in the 2004 survey and are listed under the following 6 categories:

1. Work – intrinsic motivation, influence, work activities, resources, and customer focus
2. Opportunities - career opportunities and recognition.
3. Quality of life – work life balance, physical work environment, and work location.
4. Procedures - policies, processes, and valuing people.
5. Compensation – pay and benefits.
6. people – Senior leadership, business unit manager, immediate manager, co-workers

Summary and critique.

The Hewitt model provided a comprehensive measure of engagement, as well as its 19 drivers. Many of these drivers were considered relevant to the current case and were incorporated into the proposed model. The level of detail achieved by measuring 19 distinct drivers allowed for specific interventions in terms of modifying operations and management practices to enhance engagement, although it did make for a long survey (Hewitt Associates, 2005b). Using three separate surveys, the EOS, the PPI and the CEO-Q (detailed on page 43) allowed for an in-depth assessment of the organisation and the variables associated with engagement. However, the level of detail came at a cost in terms of the time and effort required to complete the entire set. The PPI alone was said to take up to 10 hours to complete (Hewitt Associates, 2003b).

The survey and its implementation has undergone several revisions in an attempt at continuous improvement, capturing additional factors that may influence engagement scores (Hewitt Associates, 2005b). Regular updates have kept the survey relevant as well as allowing for the discovery of additional influences on a relatively new construct. Results of Australian employees have been included in this revision process, making the model and related theory highly relevant to the Australian workforce. This was considered a “strength” in terms of informing the current project, as data from Hewitt Associates and other consultancies indicated that nationality is a demographic that impacts engagement (see ISR, Hewitt Associates and Gallup Organisation). The other models reviewed in this study (the burnout / engagement model, the JD-R engagement model, and the Gallup model) originate from overseas.

In terms of outcomes, Hewitt Associates emphasised the importance of linking engagement with financial performance. This concept was relevant to the current study and was used to assist in the development of the engagement model.

The Hewitt model also emphasised the link between engagement and employees intentions to stay with the organisation. Again, this concept was relevant to the current study, as high staff turnover rates were an ongoing concern for Walkabout management. Interestingly, during the period when Walkabout had achieved recognition for being one of the Best Employers in Australia (based on Hewitt ratings), staff turnover figures averaging 33% were also reported. When comparing Walkabout's staff turnover to a major competitor, who had a turnover rate of 13%, Walkabout's rate was considered high (IBIS World, 2004a). The notion of high engagement and high staff turnover was inconsistent with all engagement literature reviewed (Frank, Finnegan, & Taylor, 2004; Harter et al., 2002), making the relationship between engagement and staff turnover at Walkabout a particularly interesting issue both from a practical and a theoretical perspective.

Now that all four main engagement models have been evaluated and critiqued, a summary has been compiled detailing the main themes presented. Related engagement theories have also been summarised, with one theory in particular proposed as the most appropriate for explaining engagement in the current study.

Engagement Model Summary

When comparing the main engagement models reviewed in this chapter, certain themes became evident in terms of engagement as a construct and how it operated within an organisation. Generally speaking, engagement was recognised as a multi dimensional construct which involved the employment of one's emotional, intellectual and energetic resources (Hewitt Associates, 2004a; Leiter & Maslach, 2004; Schaufeli, Salanova et al., 2002). Effective management of the work environment, measured by the various engagement drivers, was an important concept in each model. Different models stressed different drivers with the most

common including: senior and immediate management, recognition and rewards (formal and informal), workload and work life balance, professional development and career opportunities, job resources, coworker relations and teamwork, and communication and feedback (Buckingham & Coffman, 1999; Hewitt Associates, 2004a; Maslach & Leiter, 1997; Schaufeli & Bakker, 2004). Although not stated or measured as such in all cases, engagement was treated as a mediating variable between engagement drivers and organisational outcomes. Different models included different outcome measures positioning engagement as a causal factor in increasing job productivity, customer loyalty and profit margins, and decreasing employee turnover (Buckingham & Coffman, 1999; Harter et al., 2002; Hewitt Associates, 2005b). The link between people management practices and increased financial outcomes received additional validation where results had been applied to the service profit chain (Buckingham & Coffman, 1999; Heskett et al., 1997; Hewitt Associates, 2005b).

In terms of engagement theory development, various theories were presented: social exchange theory (Saks, 2006), equity theory (Leiter & Maslach, 1999), job demands and resources theory (Schaufeli & Bakker, 2004), broaden and build theory (Fredrickson, 2001), and flow theory of vital engagement (Csikszentmihalyi, 1990). All of the theories, except broaden and build theory, refer to the notion of a perceived balance in the relationship between the employee and the employer, arguing that for engagement to occur, a balance is necessary. The application of broaden and build theory was slightly different but it does share a commonality with the other theories in terms of emphasising the notion of adequately meeting employees' needs to create optimal performance. It also provides an extension to the notion of balance covered by the other theories: that of a possible spiral relationship between engagement; its drivers, and outcomes. For the purpose of this study, engagement was positioned as a mediating variable between drivers

and outcomes, as this model structure provided the most parsimony while incorporating the necessary variables for answering the research questions and hypotheses.

Each model and related theory reviewed offered different insights into the functioning of engagement, but no one model addressed all the requirements of the current study, namely a validated engagement survey which included the relevant engagement drivers specific to Walkabout, and an engagement model that incorporated the measure and validation of the relationship between engagement, its drivers and outcomes. As a result, an empirical approach was deemed most appropriate for this study.

In addition to developing an engagement survey and model, certain demographic variables were analysed to assess their relationship with engagement. This analysis served to add to existing engagement literature, of which there was little previous research, as well as assessing these variables' potential contribution to the unusual dynamic identified at Walkabout of high staff turnover and high engagement. A review of previous engagement research which detailed these variables is now outlined.

Engagement and Relevant Demographics

There has been little published on the effect of demographic variables on engagement, perhaps because of the argument put forward by Richman that engagement is “more influenced by management practices and features of the work environment than employee demographics or personality” (Richman, 2006, para. 4). As staff turnover rates were unusually high for young, recently hired travel consultants (54% left the Walkabout in the first year of employment) (Kinkead, 2004), the relevant demographic variables of age, tenure and position level were selected for assessment.

Maslach and Leiter (2004) did provide some results relating to these variables, however, the results revealed only minor effects. In terms of position level, Maslach and Leiter (2004) performed a one-way analysis of variance to determine if front line managers reported more burnout / engagement effects than other employees. Front line managers reported more signs of burnout (exhaustion and low self efficacy). Consultancy group Towers Perrin (2003) reported different results. They argued that engagement increased with seniority as senior executives had job qualities that customarily drive engagement (such as challenge, authority, autonomy, stimulation, access to information, resources, and growth opportunities) (Towers Perrin). In addition, beyond this top group, engagement dropped progressively downward, with staff who had the least amount of control and influence reporting the lowest levels of engagement.

In terms of age affecting engagement, Schaufeli and Bakker (2003) reported small positive effects. Based on samples that spanned nine countries, positive correlations with age were reported; however, the correlations were generally weak. These results were consistent with Maslach and Leiter's (2004) findings which revealed AWS scores were higher for older employees, although the relationship was again, weak. Taking the relationship between engagement and age one step further, very little research has been cited on the effects of engagement and generational groups. However, the literature suggests that the various generational groups (generation X, Y, and baby boomers) differ in what they value most about work and life in general (Dwan, 2004; Hatfield, 2002; Levin - Epstein, 2002; Ross, 2005). Taking Hewitt's argument that certain workplaces may address the needs of certain generational groups more than others (Hewitt Associates, 2003b), engagement may vary between these generational groups.

Little research has been conducted on the relationship between length of tenure and engagement, although general comments report a "honeymoon effect",

whereby new recruits¹⁴ are highly engaged; excited by their new job, but this effect tends to fade with time (Hooper, 2006). Gallup researchers Coffman and Gonzalez – Molina (2002) provide commentary on the changing nature of engagement as employees remain with the organisation, but neglect to mention how engagement scores are affected.

The effects of age, tenure, and position level will be analysed for effects on engagement as a starting point to assessing if other factors could be influencing the unusual dynamic of high staff turnover and high engagement at Walkabout.

The engagement literature that has been reviewed served as a base for the two main outcomes of this thesis: a valid engagement survey and an engagement model. The initial development of these two outcomes and their relevance to the literature is now discussed.

Project Purposes

When determining the purposes of this study, the needs expressed by Walkabout management were considered. Company management expressed their desire to have an engagement survey they could use on an ongoing basis. In addition, they requested an exploration into the link between engagement and financial outcomes, and the relationship between engagement and staff turnover. To meet these requests, as well as make a contribution to the academic literature, two project outcomes were identified: a validated engagement survey and an engagement model which included engagement drivers and outcomes.

The literature review served as a platform for each project outcome. For the engagement survey, the literature informed the interview questions of project one, from which survey items were generated and tested. For the engagement model, relevant components (variables) from each main model reviewed were incorporated

¹⁴ Those employees recently hired by the organisation

into a proposed model, which was later tested for its validity in reference to the Walkabout case. The model design and related theory is now discussed.

The basic structure of the proposed model positioned engagement as a mediator between drivers and outcomes (or its antecedents and consequences), as illustrated in figure 2.6.

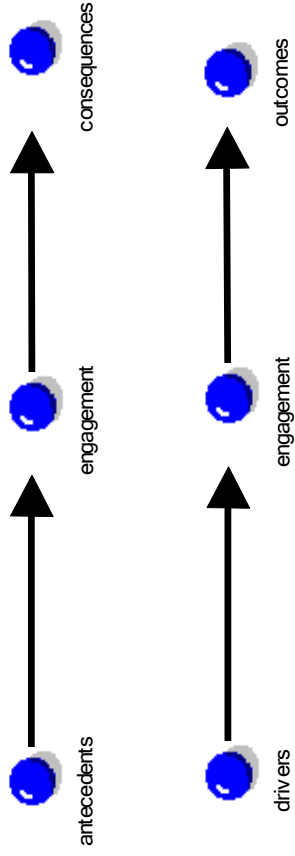


Figure 2.6. The basic structure of the proposed engagement model

The terms 'drivers' and 'outcomes' are predominantly used throughout this thesis as these labels depict the function of the corresponding latent variables. The drivers, positioned on the left side of the model, included amended categories of Maslach and Leiter's AWS survey (2004) (workload / work experience, values, opportunities, community, rewards, control / empowerment) and Hewitt Associates' Best Employer model (Hewitt Associates, 2004a) (opportunities, quality of life / work experience, rewards / compensation). These driver categories were selected based on initial observations of Walkabout's policies and operational processes. A total of nine driver variables were included in the proposed model (see figure 2.7). The engagement variable positioned in the middle of the model was based on Hewitt Associate's engagement definition which included behavioural, emotional, and intellectual engagement. This definition appeared to be most similar to how Walkabout management described engagement in the initial meeting with the Researcher. The outcome variables on the right side of the model were determined

by a number of factors: the need to include financial variables as requested by Walkabout management (variable inclusions were restricted to data / reports provided by Walkabout), the desire to contribute to the engagement construct's nomological network, and the need to include variables which might explain the relationship between engagement and staff turnover. A total of six outcome variables were included in the proposed model as shown below in figure 2.7.

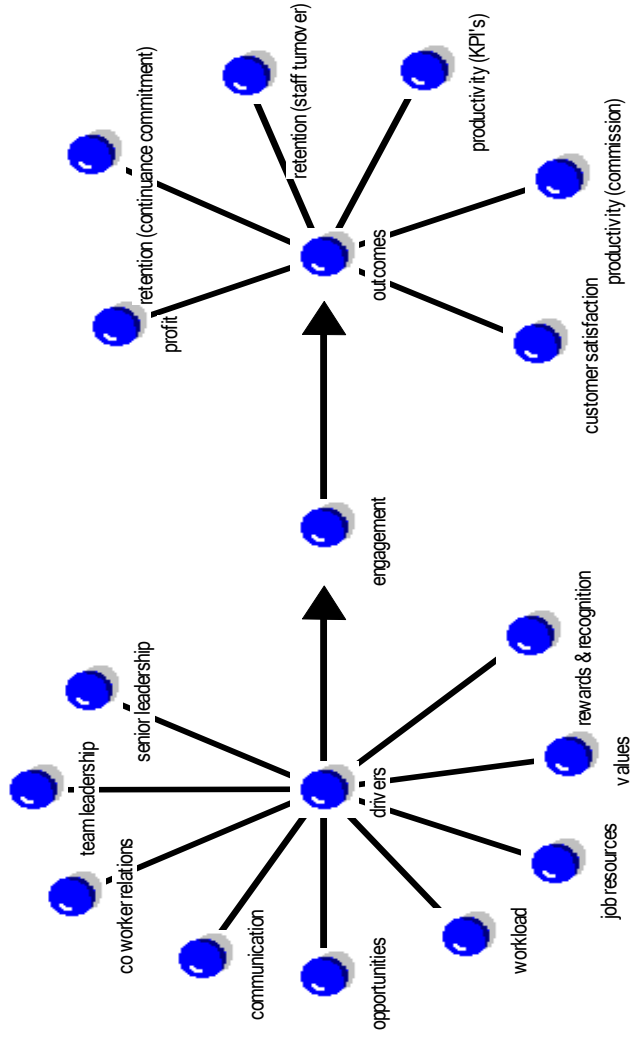


Figure 2.7 The proposed engagement model

The nine drivers, combined are predicted to drive engagement, which, in turn, impacts on the engagement related outcomes.

Schaufli and Bakker's motivational / energetic theory (2004) best explained what appeared to be driving engagement at Walkabout. When applying the theory to the proposed model, the engagement drivers were perceived as motivating and engaging (if job resources were adequate), or exhausting and disengaging (if job demands were excessive). Therefore, in order to generate optimal levels of engagement, not only did certain drivers need to be present, but they need to

function in a balanced way. That is, if engagement is to be achieved, drivers pertaining to job demands should not exceed the physical and psychological resources of the individual (in order to avoid exhaustion). In addition, drivers pertaining to job resources need to be supplied in adequate levels (in order to motivate and support employees to fulfil their work requirements).

Taking the proposed model as a whole (drivers, engagement, and outcomes) the energetic / motivation theory still applies. Employees workplace needs are met by a balance of job demands and resources (achieved through effective management of the drivers), which in turn, motivates and engages employees, which has a positive effect on engagement related outcomes.

The two main aims of the thesis, the development of a valid engagement survey, and the confirmation of the proposed engagement model, were addressed via a series of research questions and hypotheses. These are summarised in the next section.

Project Aims: Summary of Research Questions and Hypotheses

A series of 20 research questions and hypotheses were used to achieve the aims of this thesis. These questions and hypotheses are listed at the beginning of the chapter in which they are attended to (either chapter five; project one, chapter six, project two, or chapter seven project three), and are summarised below under seven main topic headings.

1. *Engagement as a construct.* This involved establishing a definition of engagement as it operated at Walkabout, clarifying its factor structure, and confirming its relationship with certain demographic variables. Projects one, two and three addressed these questions.

2. *Engagement and its drivers.* This involved the identification of the main engagement drivers at Walkabout and each driver's predictive capacity. Projects one, two and three addressed these questions.
3. *The engagement survey.* This involved the design, testing and confirmation of an engagement survey (measuring engagement and its drivers). Projects one, two and three addressed these questions.
4. *The relationship between engagement and specific personal / organisational outcomes.* This involved the testing of the causal relationship between engagement and financially related variables, and engagement and staff turnover variables. Project three addressed these questions.
5. *The engagement model.* This involved the designing and testing of a model that explained the relationships between engagement, its drivers, and outcomes as they operated at Walkabout. The proposed model was extracted from the literature review, and projects one, two, and three informed the adjustments necessary for model confirmation.
6. *Engagement at Walkabout.* This involved a theory explanation of the engagement process at Walkabout. In addition, the unique features that Walkabout used to generate and maintain engagement were established. Chapter two identified an appropriate theory which remained relevant throughout projects one to three.
7. *Engagement and its nomological network.* This involved the exploration of engagement with specific types of organisational commitment. Project two answered these questions.

The engagement literature review is now complete, and the two main thesis purposes are established. The following chapter provides a summary of the Australian retail travel industry and the relevant issues and trends related to the

Walkabout case. In addition, Walkabout is reviewed in the context of engagement, providing background on the company, its workforce, its operations and performance.

CHAPTER THREE: THE CASE IN CONTEXT. WALKABOUT AND THE AUSTRALIAN TRAVEL INDUSTRY

In order to gain an appreciation of engagement dynamics existent in Walkabout it was necessary to understand some of the external and internal influences that may be affecting company operations. This chapter outlines those influences by providing an overview of the Australian travel industry, as well as a synopsis of the Walkabout case. Material was collected via industry reports, editorial and internal company reports. Combined, this information provides background information on Walkabout which explains external and internal forces that were influencing operations at the time data was collected. This background information helped to interpret data collected during the employee interviews of project one (chapter five), as well as inform the engagement model, which was proposed in chapter two, revised in project one (chapter five), and confirmed in project three (chapter seven). Before embarking on a review of the current case and its relevant industry, the benefits and limitations of applied research are discussed.

Benefits and Limitations of Applied Research

Single organisational case studies allow emphasis on how theory operates in the one organisation. Often such results can be generalised to other similar organisations. The advantage of conducting applied research within a single case as opposed to research across and combining several organisations is that specific influences or issues (internal and external) can be identified and addressed for the organisation concerned. These influences or issues are not usually generalizable in total to other organisations and need to be addressed on an individual organisational basis. Internal and external influences thought to influence engagement at Walkabout are now discussed.

The Australian Travel Industry

Travel and tourism is a major contributor to the Australian economy, generating \$2,451 million in the 2005–2006 period with an expected \$2,570 million for 2007–2008 (IBIS World, 2007). As of August 2007, there were 2065 enterprises spanning the country, employing nearly 22,000 people (IBIS World, 2007). Over the last 20 years, the Australian travel industry has seen steady growth; however, international events spanning the last five years have contributed to an industry downturn, causing increased competition between surviving travel companies. Market influences such as terrorism, the War in Iraq, flu epidemics (SARS and the Asian Bird flu), online booking facilities, and the global surge in fuel costs have all contributed to increased competition amongst travel companies at a time of industry downturn (IBIS World, 2005, 2007). Business confidence within the industry has faltered with travel companies, including travel agents and product suppliers, being forced to close due to poor financial results (IBIS World, 2007). Such are the challenges in an industry noted as “one of the least protected and most highly competitive industries in the world” (IBIS World, 2007, p. 37).

Additional industry stressors of the last five years have included increased competition with airlines and land product suppliers, affecting traditional lines of distribution and reducing travel agent margins. The introduction of three budget airline carriers - Virgin Blue, Jet Star, and Tiger Air covering domestic, trans-Tasman, and Asian bound routes have effectively reduced domestic ticket prices, leaving little profit for travel agents (Marx, 2004). In addition, both domestic and international airline carriers have reduced commission rates from 5% to 0%, and 10% to 7% respectively, with Jet Star offering no commission to travel agents at all (Boreham, 2005; Fraser, 2005a; Harcourt, 2004). An increased internet profile of both airlines and land products such as hotels, car hire companies, and tour companies has encouraged customers to book directly, cutting out the travel agent (IBIS World,

2007; Marx, 2004). Online travel companies have surfaced, increasing industry competition and offering competitive rates without shop front overheads (Binning, 2006). As a result, the travel industry has undergone consolidation with three travel companies holding 54% of the total market share. Walkabout held the largest share of 38.4% in 2005 (IBIS World, 2007). The “big three”, along with the remaining smaller agencies, are now directly competing with airlines and other ground content operators via direct booking capability online. This alters historical distribution lines which held the travel agent as the gatekeeper to the consumer. As a result, shop front travel agencies have had to compete on other factors beyond price, such as service quality and product and destination knowledge in order to remain competitive (IBIS World, 2005, 2007). This shift from a price-driven emphasis to service quality and product knowledge has been mirrored by a change in Walkabout’s marketing campaigns. No longer do they advertise as offering the best price guaranteed; but they now emphasise competitive prices, exceptional customer service and product knowledge (IBIS World, 2007). The five factors that have been identified as essential for survival in this increasingly challenging industry were noted as group product buying (to keep costs down), group promotion and marketing (to keep costs down and increase company profile), being located in highly visible locations with high foot traffic, having access to the latest and most efficient technology ensuring quality customer service, and developing a loyal customer base (IBIS World, 2007). Walkabout implements all of these factors with varying degrees of success.

The outlook for the Australian travel industry is predicted to be continually challenging. Increasing operating costs including the regular updates in technology in order to remain competitive, as well as high wage increases¹⁵ due to an industry shortages of experienced agents, are two noted challenges (IBIS World, 2005). Increased operating costs, along with tighter margins and increased competition has

¹⁵ Wages account for approximately 30% of total operating costs (IBIS World, 2005).

forced travel agencies to pass on expenses to clients by charging a service fee for their time (IBIS World, 2005, 2007) with a predicted negative effect of encouraging potential customers to book direct. Therefore, in an industry which is confronted by external and internal challenges, service efficiency, product knowledge, customer satisfaction, and competitive prices will become progressively more important in order to remain competitive. Walkabout has adopted strategies to cope with noted industry challenges, demonstrating resilience through continued growth and increased profits. The following section outlines strategies used to counteract these challenges, as well as other operational practices and outcomes relating to engagement.

Walkabout Limited

Walkabout is Australia's largest travel company with 6,900 employees¹⁶, servicing 1,139 retail stores worldwide, incorporating 27 different retail, corporate and wholesale travel businesses (IBIS World, 2004b; Jobsons, 2005; Walkabout*, 2004a). At the time of data collection Walkabout had operations in Australia, Canada, South Africa, UK, Hong Kong, New Zealand, USA, PNG, Vietnam, and China (Aspect Financial, 2005; IBIS World, 2004b). The company has been in business for 26 years, operating as a public company since 1995 (IBIS World, 2007). It remains the fastest growing Australian travel company with a revenue growth rate double the industry average, an asset growth rate more than three times the industry average, and an employee growth rate more than seven times that industry average (IBIS World, 2004b).

¹⁶ This figure is taken at the time of data collection. Since then Walkabout has grown, employing 8,300 in the 2005 – 2006 period (IBIS World, 2007).

Why Walkabout?

The Australian division of the Walkabout organisation was chosen for this study for three main reasons: firstly, it was an organisation that showed an inherent interest in engagement with existing policies and procedures designed to foster engagement; secondly, the organisation had reported consistently high engagement levels based on Hewitt Association's annual Best Employer survey (Hewitt Associates, 2001a, 2003b), and thirdly, the company had agreed to provide the Researcher with the data and access necessary to complete the research. All three elements were considered when formulating the study's design and outcomes.

Company Purpose and Philosophies

Walkabout's stated purpose and philosophies underpin the company's main operating strategies, procedures, policies and decision-making processes and are therefore an important touchstone in understanding the company's core operational and cultural dynamics. Many of the philosophies directly relate to how engagement is generated and are listed here as they are referred to during the data analysis phases of this study.

Walkabout's purpose.

The company purpose is to "open up the world for those who want to see" (Walkabout*, 2004b). This means different things for customers and employees. For employees, the company's purpose is to open up their "world" by helping them develop professionally and personally. For customers it means to open up their "world" by providing exciting and well organised travel experiences (Walkabout*, 2004b).

Company philosophies.

The ten company philosophies function as a guideline by which all employees were encouraged to conduct themselves, including decision making, policy setting, customer service, collegial interaction, goal setting, and strategy formation. Each philosophy is designed to execute the company's purpose in some way. The philosophies were posted in nearly every room at head office and were presented and explained in detail at the company induction day attended by the Researcher (Walkabout*, 2004b). A summary of these philosophies is now presented.

1. *Our people.* We care about the health and well being of our people including their personal and professional development as well as their financial security.
2. *Our customer is paramount.* By understanding and exceeding customer expectations we will enhance customer loyalty, operating in a manner which demonstrates honesty and integrity.
3. *Profit.* "Profit is the best measure of our success. We believe that the only measure as to whether we are offering something of value to our community is medium and long term individual, and company profitability" (Walkabout*, 2004b, p. 1).
4. *Ownership.* Each employee has the opportunity to own part of their success through profit share by acquiring shares and participating in option plans.
5. *Incentives.* "What gets rewarded gets done" (Walkabout*, 2004b, p. 1). The company rewards quantitative outcomes particularly profit, turnover increases, staff retention, and net income.
6. *"Brightness of future."* The company provides a vehicle for employees to achieve their hopes, aspirations and dreams.
7. *Standard operating systems – "one best way"*. All employees are to operate according to one best way unless a superior way is demonstrated and proven.

Open communication and sharing of power is encouraged within this framework.

8. *Our structure.* The company structure is lean, and flat with a maximum of 5 layers: business teams (3 – 7 employees), area groups (7 – 25 teams), national teams (3 – 10 areas), regional leadership (4 – 10 nations), global “SWOT” and Board of Directors. The structure is based on geographic regions that work to support each other. All company divisions are structured as a profit centre with the same structure as above.
9. *Self responsibility.* Employees are to take responsibility for their own success or failure. They are encouraged to “accept total ownership and responsibility” even if they are not always in “total control” (Walkabout*, 2004b). It is therefore, it is their own choice as to whether they turn work pressure into stress.
10. *Egalitarianism and unity.* Each employee has the same privileges. There are no separate offices, receptionists or secretaries. Internal promotion is always the first choice.

Company strategy.

At the time of data collection, there were five identified strategies being implemented to counteract the challenging industry conditions previously outlined. These strategies were orientated toward growth, increased productivity / profits, and employee efficiency.

First was the “land strategy,” which aimed to increase profits generated through commission by counteracting the reduction in airfare margins and commissions. Travel agents were encouraged to focus on the sale of land based products which offered higher margins (up to 20%, as opposed to 0-10%) than air based travel (Aspect Financial, 2005; IBIS World, 2007; Lloyd, 2004; Wisenthal,

2004). In 2004, Walkabout was selling approximately 35% non air retail sales and 65% air retail sales with the aim of reaching a 50 / 50 split over the following three years (Lloyd, 2004).

Secondly, there was the introduction of new technology - growth focused / efficiency strategy offering customers the ability to book online, which was becoming an increasingly important market (Kruger, 2005). Walkabout's current online sales have reached 22.5% of total sales (IBIS World, 2007). There was external criticism that the implementation of an online facility came too late, causing an unnecessary drop in revenue as potential customers went elsewhere in search of the cheapest fares (Boreham, 2005; Fraser, 2004, 2005a).

Thirdly, there was the expansion of the corporate travel division: a growth focused strategy which was considered to have substantial performance potential particularly for the domestic market (Aspect Financial, 2005; Walkabout*, 2004a).

Fourthly, there was the increase in retail sales staff (16% increase in 2006 to 5,611 employees), a productivity focused strategy aimed at maximising sales (IBIS World, 2007; Walkabout*, 2004a).

Lastly, there was the "Full Throttle" initiative, a profit-focused strategy designed to cut operating costs and increase efficiency (Fraser, 2005b). Full Throttle was a response to a dramatic fall in company profits during the first half of 2005 (Wisenthal, 2005). Operating efficiencies involved the streamlining of operating systems and technology for retail staff and the increase in automation of services provided by support staff (Aspect Financial, 2005; Wisenthal, 2005). Cost cutting involved the layoff of 150 support and management staff over the time this study was conducted (Wisenthal, 2005). This included all members of the original human resource team that had been assigned to support the projects associated with this thesis. These staff losses had repercussions, including

restricted communication with Walkabout management, progress impediment, as well as the need to amend aspects of the research design. Further explanation is provided as relevant.

Each of the five strategies affected engagement differently, with positive effects generated by creating more efficient operating systems mainly through technology and automation, and negative affects coming from the loss of goodwill generated by large staff layoffs. These effects are referred to and expanded upon in the employee interviews of project one, chapter five.

Recent financial performance.

Until May 2002, Walkabout's share price increased yearly, reflecting its substantial profit increases, which was more than double the industry average (IBIS World, 2004b; Jobsons, 2005). Between May 2002 and April 2004, share price volatility reflected industry challenges, but confidence was still strong due to company performance. However, due to a lower than expected profit performance in April 2004 when the share price dropped 11%, and in January 2005 when the share price dropped 15%, shareholder confidence was shaken (Kruger, 2005; Marx, 2004). Profit warnings, coupled with increased internet bookings and airline commission reductions, were said to have made shareholders nervous. These dramatic falls in share price are reflected in figure 3.1.

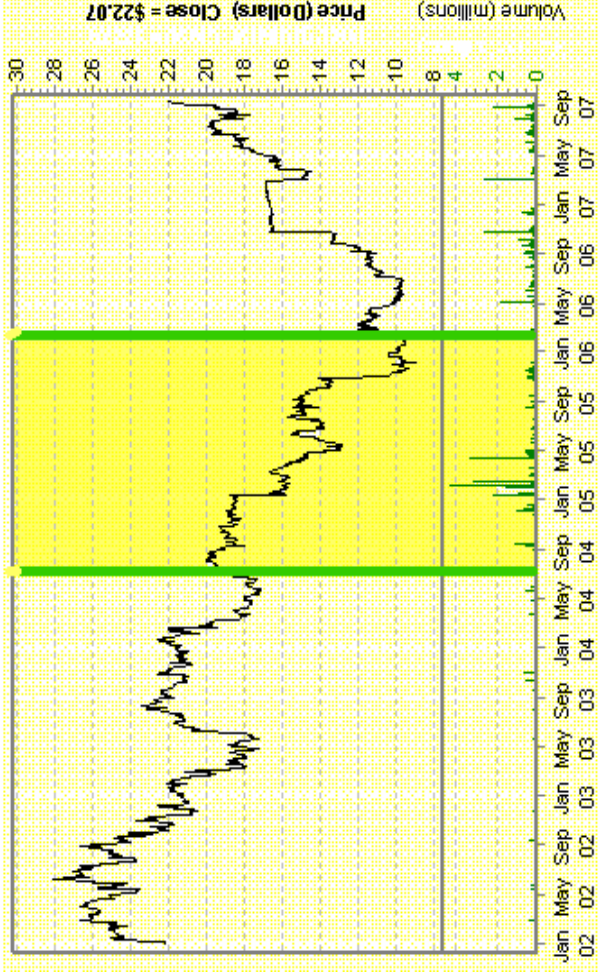


Figure 3.1 Walkabout's share price over the last five years adapted from Commsec (2007).

The shaded area between July 2004 and April 2006 is the period when data was collected for this study. During this time, there was intense share price volatility, with an overall downward trend. Shares hit the lowest price in five years during this period, placing substantial pressure on management to turn company performance around.

During the time of data collection, study progress was impeded due to managements' shift in focus to more immediate issues of operations and company performance. The original team of employees assigned to liaise with the Researcher was laid off during this period, disrupting project progress and established communication channels. New company liaisons¹⁷ were arranged as needed, but these employees had limited time and resources to devote to the project's progress due to the intense operational pressures the company was facing. As an applied

¹⁷ The Researcher was assigned a total of four company liaisons throughout the time of the study.

project, the Researcher worked with these changes, renegotiating the original research agreement to ensure study completion (more details on this process are provided in chapter four).

Walkabout's Workforce

At the time of data collection, Walkabout had just under 4,000 employees working in Australia (Walkabout*, 2005b). The majority of staff were female 79%, with an average age of 30 (Craig, 2004). As emphasised at the company induction day, Walkabout was attractive to employees who wanted to fast track their career and have unlimited earning potential. The three main reasons people joined Walkabout were the guaranteed then \$38 / \$40 thousand salary package, the diverse and numerous career opportunities available within the company, and the uncapped earning potential and the incentive-based reward scheme (Craig, 2004).

Staff turnover was considered high, averaging 33% over the period of data collection (Walkabout*, 2004d). This figure was relatively consistent with previous years; therefore, it was not considered inflated due to the company restructure process. Walkabout management recognised staff turnover as an issue and had set up a staff retention committee to find solutions for reducing the turnover rate. Walkabout staff, according to internal company reports, tended to stay with the company less than 18 months with just over half (51%) of the employees leaving before this time. Nineteen percent left within the first 6 months (Craig, 2004). From a report that amalgamated exit interview data (Craig & Geyl, 2004b), leadership was cited as the main reason for leaving. When asked "What could have prevented you from leaving," responses included "offering me some kind of help and support to achieve the goal of improving figures" and "by providing more supportive middle

management, they could look at the people not just the figures" (Craig & Geyl)¹⁸. The financial burden of high staff turnover had been noted by management as costing Walkabout Australia an estimated \$40 million annually¹⁹ (Wisenthal, 2004).

Walkabout staff were noted for working long hours in order to meet pre-determined work targets. The average weekly rate for Walkabout retail staff was 67.2 hours (personal communication, senior manager at staff retention meeting, August 3, 2004), which was high compared to the industry average of 38 hours (personal communication, Queensland Government Wage Line representative, January 17, 2005). Financial compensation was about average, with a base gross wage of \$38 thousand dollars plus commission, compared to the industry average of \$38,610 (AC People, 2007). However, top up's received via the incentive-based pay structure could dramatically increase an employees' overall salary into the \$100,000's range (Personal conversation, human resource manager, 9 July, 2004).

The State of Engagement at Walkabout

The Walkabout workforce had been previously surveyed using three different instruments before the implementation of the current project. The three surveys included the Hewitt's Best Employers survey (for years: 2001, 2003, 2004, 2005) and two versions of the "people for success" survey, which was initially designed by Walkabout's research department in conjunction with Boston Consulting Group (see www.bcg.com). The survey measured similar variables to engagement,²⁰ but had not undergone validity and reliability testing. Results from the "people for success" survey were unavailable; however, Hewitt Associates Best Employers survey was available and provided a baseline as to how employees rated engagement at

¹⁸ These comments were only taken from one exit interview report therefore it should not be assumed that leadership was the only reason.

¹⁹ Cost of staff turnover was set at \$30, 000 per person as noted by Wisenthal, 2004. Calculations were based on 33% of 4,000.

²⁰ Variables measured: demographics, accountability, communication, external focus, leadership, personal focus, rewards and recognition, operating systems, and team focus.

Walkabout. In 2001 and 2003, Walkabout was ranked the “Best Employer” in Australia and received highly commended status in 2004 (Hewitt Associates, 2001a, 2003c, 2004a). However, in 2005, Walkabout’s results were not so favourable, with an overall engagement score of 66% compared with 86% in 2003, and 84% in 2004 (Hewitt Associates, 2003a, 2004b; Hewitt Associates, 2005). This was counter to the engagement scores of other Best Employers measured by the Hewitt survey which rose over the same period from 76% in 2003, 77% in 2004, to 81% in 2005%. A decrease in engagement occurred over the period of data collection of this study. It was anticipated that a drop off in engagement could add variance into the data collected, but could provide insights into what may not be working in terms of maintaining engagement.

To summarise, Walkabout was an organisation that had demonstrated resilience in the face of industry challenges but had suffered in recent times with rising operating costs and falling engagement results. As a company experiencing change, Walkabout was implementing numerous strategies over the time of data collection for this study, aimed at addressing these two issues. In terms of staff, Walkabout tended to employ young, females who were focused on career advancement and financial success: however, many of these new recruits did not remain with the company longer than 18 months. Unsupportive leadership was cited as one of the reasons for this (Craig & Geyl, 2004b). Time on the job was also flagged as a potential issue, as work hours were longer compared to the industry average. Overall, Walkabout had the potential to add to existing engagement literature as it had been previously identified by Hewitt survey results as a company capable of producing highly engaged employees.

The following chapter outlines the methodology used to formulate this study, including the practical issues faced when working in an applied setting. Subsequent chapters (five, six and seven) detail project one, two and three, which explain how

data was collected and analysed in the process of designing and testing an engagement survey, as well as confirming an engagement model, which included the main engagement drivers at Walkabout, as well as engagement outcome effects.

Study Description

The current study aimed to identify, measure, and explain engagement as it operated within a large Australian travel organisation, Walkabout. Two main outputs of the study included an engagement survey that measured engagement and its most relevant drivers, and an engagement model which explained how engagement operated within the company in terms of engagement drivers (antecedents) and engagement outcomes (consequences). A mixed methods sequential design was chosen, which contained both explorative and explanatory components (Creswell, Plano Clark, Gutmann, & Hanson, 2003; Tashakkori & Teddlie, 2003). The first, explorative phase was qualitative, which provided data used to gain an in-depth understanding of the engagement dynamics operating within Walkabout. The second, explanatory phase was quantitative involving the analysis of survey data to produce an engagement survey and test the theory based model. The methodology and data collection procedures used are outlined in this chapter.

Formulating the Study's Main Purposes

The study adopted an applied typology (Patton, 2002), therefore, when formulating the main research purposes it was necessary to consider the interests of Walkabout's management, as well as the required academic outcomes. During initial research negotiations, four main needs were established: firstly, Walkabout management requested that the main outcomes of the study include a validated engagement survey that could be made available for ongoing company use; secondly, management voiced a particular interest in the relationship between engagement and staff turnover; thirdly, management voiced a particular interest in the relationship between engagement and financial outcomes; and lastly, the academic requirement of contributing to existing knowledge on engagement. As the three needs outlined by Walkabout management were

able to directly contribute to academic knowledge, they were deemed appropriate for the study. In order to fulfill the identified needs, two main study outputs were required:

1. A validated engagement survey (that measured engagement and its drivers), the results of which needed to produce data that could be converted into actionable strategies for improving engagement at group and organisation levels. As academic based engagement surveys were few at the time of project inception²¹, developing a validated engagement survey was considered both useful and constructive in terms of contributing to academic knowledge.
2. An engagement model which provided an explanation as to the cause and effect of engagement at Walkabout. Engagement drivers and their relative importance were to be identified, along with the effects of engagement on outcomes specifically financial outcomes and staff retention outcomes. Such a model was designed to help explain the engagement construct, as there was a dearth of theoretical explanations of engagement in the literature.

Mixed Methods Framework

The project's epistemological underpinning was that of pragmatism whereby the methods selected were based on fulfilling the two main study outputs (Tashakkori & Teddlie, 2003). A mixed methods framework was considered the most suitable in collecting the necessary data based on Creswell's (1999) criterion for employing a mixed methods approach. Creswell (1999) outlined three main situations that warranted a mixed methods study²².

1. *Corroboration*. This refers to a situation when more information can be learned by converging or triangulating results from qualitative data and quantitative data which have been independently administered.

²¹ Maslach and Leiter's (1997) AWS and Schaufeli and Bakker's UWES (2003) were the only two academic based engagement surveys identified.

²² A categorisation also supported by Rossman and Wilson (1994).

2. *Elaboration.* This refers to a situation when the results from one method can be extended by using another method; such as quantitative data building on qualitative data.
3. *Development.* This refers to a situation when information gathered could assist in the development of a quantitative measure.

The current project employed the last two criteria (elaboration and development).

Elaboration.

The sequential nature of this study used qualitative methods to inform the quantitative data (Creswell, 1999). As there was little academic literature on engagement available at the time of project inception, and no measure or model available that adequately explained the Walkabout case, the first phase of the study, project one, involved the collection of qualitative data that explored the “interconnected complexities” existent within the organisation (Creswell, 1999). This allowed for the identification of the main engagement themes from which survey items could be derived and proposed engagement drivers established. The second phase of the study, project two and three, involved the collection and analysis of quantitative data which functioned as an elaboration on the qualitative data collected. By implementing qualitative data collection, discrete variables were developed and the engagement survey and the engagement model could be tested and confirmed.

Development.

The development criterion outlined by Creswell (1999) referred to the gathering of qualitative data which was then used to develop a quantitative instrument, namely the engagement survey. The Researcher deemed it important to collect qualitative information from the Walkabout organisation and its employees to ensure that the most relevant engagement themes were included in the final engagement survey. In addition to the three criteria that Creswell (1999) outlined as appropriate for mixed methods, he also provided models for research

design, one of which was the Instrument Building Model. This type of model was recommended when “the investigator’s intent is to develop an instrument that appropriately reflects (and is generated from) views from people who will use or who will be administered the instrument. Thus, the researcher begins with an exploratory qualitative method of data collection, analyses the information, and then uses it to form questions and scales on an instrument” (Creswell, 1999, p. 463). Such was the situation of the current study.

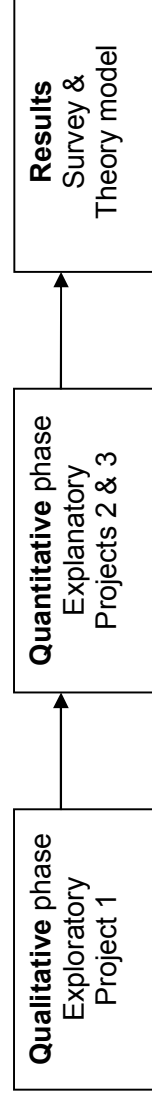


Figure 4.1. Instrument building model (adapted from Creswell, 1999, p. 463)

Data Collection Methods

Qualitative data was collected using a number of different methods: document analysis, participant observation, and in-depth employee interviews. Emphasis was placed on the employee interviews, as the Researcher wanted to gain the employees’ perspective on engagement since they were the ‘end users’ of the newly designed survey. The three methods used are now described.

1. Company documents were analysed to provide background information on operations associated with engagement. The operations manual, “The Profit Guide” was reviewed and portions coded, providing a comprehensive background to company policies and procedures that pertained to engagement. Internal reports including: an employee profiling project (Craig, 2004), a global performance handbook (Global Inform, 2004), a human resources handbook (Walkabout*, 2004c), people for success – engagement survey handbook (Craig & Geyl, 2004a) , customer satisfaction reports (Global Insight, 2006; Walkabout* Research,

2004), Hewitt Associates Best Employers survey results for Walkabout (Hewitt Associates, 2003a, 2004b, 2005a), retention project reports (Kinkead, 2004; Weir, 2004), Walkabout key statistics reports (Walkabout*, 2005b), exit interview reports (Craig & Geyl, 2004b), staff turnover and growth reports (Walkabout*, 2004d), half yearly results (Walkabout*, 2006b), commission reports (Walkabout*, 2006a), and Board reports (Walkabout*, 2005a) were reviewed to gain an understanding of company performance as well as provide relevant outcome variable information that could be used in analysing the relationship between engagement and staff turnover, productivity, profit, and customer satisfaction.

2. Participant observation involving engagement enhancing events identified jointly by the company liaison and the Researcher were attended. The six events included: an induction day, a human resources awards night, a monthly retail awards night, and attendance of three retention committee meetings. These events allowed the Researcher to gain a first-hand experience of how engagement operated at a cultural level. Events were chosen that potentially demonstrated critical incidents (Patton, 2002) which served to explain engagement dynamics at Walkabout. The Researcher operated as a participant observer (Patton, 2002) balancing the cultural expectations of being involved and transparent, with minimising the impact of the Researcher's presence²³. Field notes were taken during the event or directly after to ensure rigor and accuracy of recall (Patton, 2002).

3. Semi structured, in-depth interviews were used to gain employees' perspectives of how they experienced engagement at Walkabout. A "interview guide approach" was taken, whereby topics and issues to be covered were predetermined, but the sequence and wording of the questions was fluid (Patton, 2002). This allowed for logical gaps in the data to be anticipated and closed without asking the interviewee to repeat material already discussed. Interview numbers were capped at 26 as the

²³ There can be difficulties associated with being a participant-observer which usually involve unwanted influences on the setting, its participants, and the construct under review (as is the case in small group research). However, the size of the organisation and the limited level of participation of the researcher would have meant little impact on the data and analyses.

Researcher judged that “theoretical saturation” had been reached and no additional relevant material was emerging (Strauss, 1998). A stratified purposive sampling technique (Patton, 2002) was used to ensure that opinions of specific subgroups identified as having diverse experiences of engagement at Walkabout were included. Four different sub groups were interviewed.

- 1) Nine subject matter experts were included for their “expert knowledge” on Walkabout culture, its human resource practices, and engagement as a concept. Experts included employees from; learning and development, leadership, and recruitment departments as well as senior operational staff. All subject matter experts held a leadership position.
- 2) Five Walkabout team leaders (immediate managers) were selected for interviewing. As argued by Gallup researchers (Buckingham & Coffman, 1999), Walkabout management considered team leaders as the ‘lynch pin’ to engagement within the company.
- 3) Five Walkabout new recruits (employees who had been with the organisation between 6 – 12 months) were interviewed. It was considered important to get the perspective from these employees as the company was losing the majority of its employees within the first year²⁴. This flagged an issue of disengagement for this demographic.
- 4) Six former employees were included in the interviewing sample to provide a potentially different perspective on engagement as the literature suggested staff turnover and engagement were negatively correlated (Frank et al., 2004). Additional questions and probes relating to disengagement were included²⁵. All former employees had left the company on their own accord.

²⁴ Staff turnover for novices was 50 percent in 2004 (Craig & Geyl, 2004a)

²⁵ See appendix A for a copy of both the current and former employee interview schedules.

Quantitative data was collected via survey administration, as well as the extraction of company metrics from internal reports (listed above under company documents analysed) In terms of collecting the opinions of Walkabout's employees, surveys were considered the most efficient in terms of time, money and accessibility to employees stationed all around Australia (Dillman, 2000). The new engagement survey was accompanied by three other scales as a way of establishing construct validity (American Educational Research Association, 1995). Surveys considered for inclusion were as follows: for an alternate engagement measure the Gallup Q12 (Buckingham & Coffman, 1999), the Maslach Burnout Inventory (Maslach et al., 1996), and the Utrecht Work Engagement Scale (Schaufeli & Bakker, 2003) were considered. For related engagement measures, the Minnesota Satisfaction Questionnaire (Weiss, Dawis, England, & Lofquist, 1967), the Organisational Commitment Questionnaire (Mowday et al., 1979), the TCM Employee Commitment Survey (Meyer & Allen, 2004), the Organisational Commitment Scale (Cook & Wall, 1980), the Organisational Identification Questionnaire (Cheney, 1983) were considered. For assessing various engagement drivers, the Areas of Worklife survey (Leiter, 2003), the leadership practices Inventory (Kouzes & Posner, 1995), and the Leader - Member Exchange Scale (Graen & Uhl-Bien, 1995) were considered. After considerations of cost, availability of use, brevity, and construct relevance, the following surveys were selected for the final test battery.

The test battery:

1. *The three component model of commitment; revised version* (Meyer & Allen, 2004; Meyer, Allen, & Smith, 1993). This 18 item scale was used as a criterion measure and discriminant measure, as it was hypothesised that affective commitment (ACS) would show a stronger correlation with engagement than the other two subscales; normative (NCS) and continuance commitment (CCS). Reliability measures for the three sub scales consistently report higher than .7, with ACS scoring .85, CCS scoring .79, and NCS

scoring .73 (Allen & Meyer, 1996). Test re-test reliabilities were within acceptable ranges (Allen & Meyer, 1996) and consistent with those reported for the Organisational Commitment Questionnaire (Mowday et al., 1979).

Note: some of the wording within items was changed from “our organisation” to “Walkabout” for consistency purposes as the engagement scale designed in this study used the term “Walkabout” as a way of personalising the survey, such as with Cheney’s Organisational Identification Questionnaire (Cheney, 1983).

2. *The Utrecht Work Engagement scale (UWES) short form.* This was used for convergent validity (Schaufeli & Bakker, 2003). The short version (9 items) was preferred over the long version (17 items) as a way to keep the test battery size to a minimum. The UWES scale consisted of three subscales; absorption, vigor, and dedication, which were expected to moderately correlate with engagement. The items tended to focus on work as opposed to the relationship with the organisation; therefore, some variance between the newly designed engagement scale and the UWES was anticipated. The three dimensions were closely related (with inter-correlations usually exceeding .65) although the three factor structure was superior to the one factor structure (Schaufeli & Bakker, 2003). The UWES has been validated for different nationalities including Spanish (Schaufeli, Salanova et al., 2002), Finnish (Hakanen, 2002; Hakanen, Bakker, & Schaufeli, 2006), and Dutch (Schaufeli & Bakker, 2004) with all studies confirming a three-factor structure. Internal consistency was good with cronbach alpha values ranging between .80 and .90.

3. *The Organisational Commitment Scale* (Cook & Wall, 1980). This 9-item scale included three components: identification, involvement, and loyalty. Although not a widely cited scale (exceptions: Frone, 2000; Gelade & Young,

2005; Patterson & Warr, 2004), its component structure closely resembled the “stay, say and strive” variables in the Hewitt Associates model of engagement. Therefore, it was anticipated that this scale would correlate most closely with the proposed survey, as its structure and factors appeared most similar. Cook and Wall (1980) reported the scale to be “psychometrically adequate, stable and reliable” based on evidence of internal homogeneity data, cross validation, and tests re-test data (p. 45).

The order of surveys within the test battery was considered important to maximise the response rate of the newly designed engagement survey. For this reason, the proposed engagement survey was positioned first, and the other three surveys followed as a method to maximise a full response rate for the proposed survey (Whitley, 2002).

The administration of these four surveys allowed for research questions and hypotheses concerning survey validity and engagement’s nomological network to be addressed. By incorporating a mixed methods sequential design, both the main project outcomes, the engagement survey and the engagement model, could be produced in a relatively efficient way. Data was progressively collected, analysed, and refined throughout the study informing the design and confirmation of the engagement survey and model. This progressive sequential form of data collection and analysis is depicted in figure 4.2.

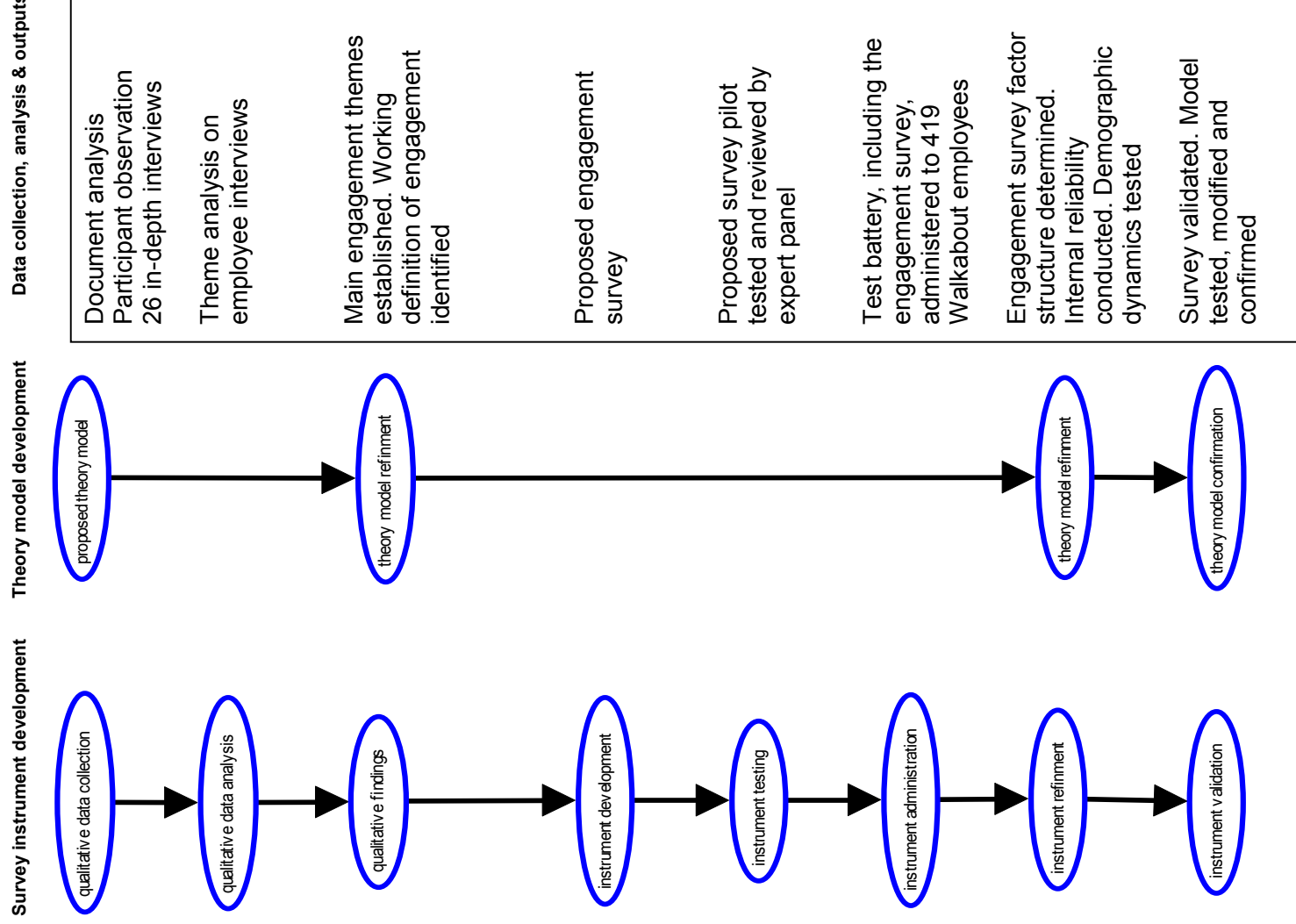


Figure 4.2. The sequential nature of data collection and analyses

Chapters five and six elaborate on the method stages outlined in the process model, including validity and reliability procedures.

Study Feasibility and Limitations

Project hypotheses and research questions were focused on meeting the four identified needs, which were to be addressed via the two project outcomes: the engagement survey and theory model. Additional hypotheses were considered such as the measure and analysis of personality variables and engagement, the measure and analysis of related constructs, such as organisational identification, and job satisfaction, as well as the measure and analysis of leadership characteristics that may enhance engagement. However, resource limitations including time, personnel, financial support, and limited access to employees kept the scope of the project to its current size (Marshall & Rossman, 1989).

Data collection for the qualitative phase (project one) mainly relied on 25²⁶ in depth interviews with current and former Walkabout employees. The interview material was analysed via theme analysis to determine the main engagement themes existent within Walkabout (Patton, 2002). However, this information was not triangulated with other qualitative data collected due to resource limitations²⁷ (Liamputtong & Ezzy, 2005).

Additional information was collected via the analysis of company manuals and reports, as well as participant observation to gain a more complete “picture” of the engagement themes evident at Walkabout (Babbie, 2001). The use of focus groups was considered as an additional data collection method (Patton, 2002), but the time required and logistics of having employees participate was considered undesirable by Walkabout management. Additional attendance at engagement enhancing events for participant observation was also requested including semi-annual conferences, retail team meetings, and a retail training day, but access was denied due to the costs involved²⁸, and time required by Walkabout staff to organise attendance.

²⁶ A total of 26 interviews were conducted but one was accidentally destroyed during transmission.

²⁷ Triangulation was considered to increase project rigor, but was not considered feasible considering the scope of the project (Liamputtong & Ezzy, 2005)

²⁸ Any activity or participation by a staff member or the Researcher was paid for by the division attending. Each event attended by the Researcher was a direct cost for the human resource division.

Data collection for the quantitative phase (projects two and three) included the administration of the newly designed engagement scale, three additional surveys included in the test battery, as well as the extraction of company metrics from internal reports pertaining to outcome variables: profit, productivity, customer satisfaction and staff turnover. Limitations on both forms of data collection were experienced. Firstly, the length of all surveys in the test battery needed to be kept to a minimum due to risk of survey fatigue (Porter, Whitcomb, & Weitzer, 2004).²⁹ For the newly designed engagement survey, this required reducing the number of initial survey items administered using face validly testing, pilot testing, and an expert panel. For the other three surveys, the shortest versions possible were included, and additional surveys that could address other hypotheses could not be included. In terms of extracting relevant metrics for outcome variable measurement, hypothesis testing was limited to the amount and quality of the figures provided. Reports varied across time and categorisation of employees, making accurate extraction of metrics difficult.

As self report measures (via survey administration) was the main source of data collection in confirming the engagement survey, the issue of self report bias did pose a small risk of introducing error (Whitley, 2002). However, survey items were primarily based on employees' opinions about engagement, as opposed to their performance or behavior with the exception of two demographic questions relating to performance and recent rates of absenteeism. Acquiescence and extremity response bias was also considered a risk, however, such tendencies could not be avoided in the design of the survey, but its effect was minimised by ensuring response numbers were adequate (Dillman, 2000; Whitley, 2002).

Quantitative data was analysed using descriptive statistics, correlations, analysis of variance, exploratory factor analysis, confirmatory factor analysis and structural equation modeling. Profit chain analysis using structural equation modeling was also desirable as an outcome validity check, but was not feasible due to resource restrictions. Instead, preliminary

²⁹ Walkabout employees were surveyed on average once a week with other in house surveys which was seen as keeping them from getting on with their work

exploration was conducted using correlations between relevant variables demonstrating that further in-depth analysis would be fruitful. One final limitation was the administration of the newly designed engagement survey within another organisation. This was initially written into the research agreement between the Researcher and Walkabout, but due to limitations of access that developed during the data collection period, this additional validity check, which would have also tested generalizability was not possible.

Administration Procedures: Internal and External

Walkabout was considered a desirable company to research engagement within, as it had been independently reported via the annual Hewitt Best Employers survey as one of the leading Australian companies in terms of engagement practices (Hewitt Associates, 2001a, 2003b, 2004a). By collecting data on engagement practices from such an organisation, applied techniques could serve to extend existing theory.

The Researcher approached Walkabout's human resource management with a project proposal which was well received. A meeting was arranged with the designated company liaison to determine the parameters of the study, its impact on the organisation, the required access to employees and company information, as well as potential company benefits. The proposal was amended to accommodate what resources the company could offer in terms of employee participation and the type and number of internal company reports available. On February 18th, 2004, the research proposal was accepted in principle and arrangements made for the signed authorisation by Walkabout.

In order to clarify each party's expectations, a Research Agreement was drawn up by the Researcher outlining the research purpose and processes that would be involved. This document was then signed by both parties (including the Researcher's supervisor). In addition, a Confidentiality Agreement was drawn up by the Researcher outlining how internal company reports, interview material, and survey material would be handled and reported on. This document was also signed by both parties (including the Researcher's

supervisor). Official acceptance between the Researcher and Walkabout was confirmed in writing on March 31st, 2004.

Over the period of time when the study commenced and data collection was finally completed, Walkabout went through significant internal changes which involved a shift in strategic direction, as well as internal restructuring. This impacted on the current study's progress as the company liaison assigned to this study and her team were either laid off or left the company. Access to company information became restricted and communication limited. A series of three company liaisons were assigned to the study, each having limited time and resources to devote to the project as operational pressures took priority. The study was halted for a nine month period, during which time the Researcher attempted to renegotiate access to data collection and forward project progress. With concerns that project completion was in jeopardy, the CEO of Walkabout was approached and the situation explained. Subsequently, the Research Agreement was honored and data collection was completed in May, 2006. A detailed report was then provided to Walkabout based on the study's main findings including a validated engagement survey available for the company's ongoing use.

Ethics Clearance

Ethics approval was granted under a conditional status on February 24th, 2004 by the Bond University Human Research Ethics Committee. Adjustments were then made according to the stipulations outlined by the Committee. The additional changes to the initial proposal were also included to accommodate the revisions that had been accepted by Walkabout. Complete approval was subsequently granted on May 7th, 2004.

The following three chapters (detailing projects one through three) address the data collection and analysis section of this study. The sequential nature of these projects build on one another to develop an engagement survey and model based on data collected from Walkabout.

CHAPTER FIVE: PROJECT ONE: A QUALITATIVE ASSESSMENT OF ENGAGEMENT AND ITS DRIVERS

The two main aims and outcomes of this study included a validated engagement survey and an engagement model which explained the engagement dynamics at Walkabout. Project one contributes to these outcomes by detailing the collection and analysis of qualitative data from which survey items were generated and subsequently tested. In addition, the qualitative data was used as a reference to evaluate the conceptual accuracy of the proposed engagement model (see figure 2.7), ensuring its validity for the Walkabout case. In the process of addressing these broader outcomes, project one answered four main research questions:

1. What is engagement according to Walkabout employees? – a working definition
2. What were the main engagement themes identified by Walkabout employees?
3. What did Walkabout do differently in terms of generating engagement?
4. How does the proposed engagement model (figure 2.7) reflect how Walkabout employees perceive engagement operating within the organisation?
5. What amendments to the proposed model (figure 2.7) were necessary so that it reflected findings from the qualitative data?

The following chapter describes how the qualitative data were collected and analysed. The findings provide an overall picture of the main engagement dynamics at Walkabout according to its employees. Emphasis was placed on clarifying what generated and maintained engagement at Walkabout, as the identification of engagement antecedents (drivers) was necessary in the development of an engagement scale which measured engagement and its predictors.

Qualitative Data Collection

Employee interviews were the main source of qualitative data collection, as it was anticipated that they would be the most informed as to what drove engagement at Walkabout. Document analysis and participant observation served as additional qualitative methods which provided background information about the company and its culture (Babbie, 2001). Data from these two methods was incorporated into the findings where it added depth and clarity to the material presented.

Company Documents and Reports

Three main categories of company documents and reports were used to gain an overall understanding of Walkabout's operations: the employee manual, annual reports, and published articles. The background information gained about the company's philosophies, structure, strategy, policies, and performance, helped to generate the interview questions used in project one. In addition, the information gained from company documents also helped interpret interviewees' responses which contained numerous references which were specific to Walkabout's culture and operations.

The first category of documents and reports was the employees' manual called the "Profit Guide." This manual was reviewed and relevant engagement information was coded using NVivo data management software (Bazeley & Richards, 2003). The Profit Guide was an intranet document which detailed all company policies and processes, including such items and staff services, staff policies, reward structures, procedures for company functions, recruitment policies, and work roles (Walkabout*, 2004e). A total of 66 documents from the Profit Guide were considered relevant to the project and were subsequently downloaded into an NVivo database. These documents were then coded according to a pre determined coding tree

containing 73 separate codes extracted from the literature review (Bazeley & Richards). This categorised data was the starting point for determining the main engagement themes existent at Walkabout according to its employees.

The second main category of documents and reports was internal company reports. These were made available through the company liaison, including reports pertaining to customer satisfaction, staff turnover, financial performance, productivity, engagement, and general employee statistics (see chapter four for a full list of reports). Data extracted from these reports was used to measure the organisational outcome variables included in the engagement model. Project three provides details of this analysis.

The third main category of documents and reports was annual reports and published articles (newspaper and magazine). These provided specific commentary on the company's financial performance, changes in strategy, and response to industry trends. This information is presented in chapter three.

Participant Observation (Participant-observer)

To gain a first-hand experience of how Walkabout generated and maintained engagement, the Researcher attended 'engagement enhancing events', identified as such by both the company liaison and the Researcher. This form of data collection provided a macro perspective of engagement compared to the micro perspective provided in the employee interviews.

Attending these events and acting as a participant-observer allowed the Researcher to become familiar with the organisation and its operations while holding an 'objective' perspective of a non employee. In addition to the information gained during these events, it gave the Researcher access to employees' work settings which provided additional information on office layout (a non hierarchical team focused structure), informal employee perks (such as weekly deliveries of fresh fruit),

expected work ethic (highly motivated, goal orientated), generally accepted social behavior (extraverted, playful), cultural terminology (positive, causal), as well as general informal commentary on engagement.

Six events were attended including a monthly awards night for travel consultants, an annual awards ball for the human resource division, three staff retention project meetings, and an induction training day for new employees. Field notes written on each event endeavored to report “emic” (insider) and “etic” (outsider) perspectives (Patton, 2002). Where possible, notes were taken at the time of observation then entered into the NVivo database to be used as reference material.

The observational focus was primarily narrow (Patton, 2002), concentrating on engagement related activities, conversations, interactions, and references. Data collection focused on answering the following questions:

1. How did the event enforce organisational philosophies (values)?
2. How did the event contribute to engagement on an organisational level?
3. Were there specific comments and language that related to engagement?
4. What engagement drivers were operating at the event according to the

Researcher's observations?

5. What engagement drivers were noticeably absent according to the Researcher's observations?

Notes were also made on the Researcher's experience of the event, as well as how data collection could be improved for subsequent observations.

Employee Interviews

Interviews were conducted with both current and former employees to provide a detailed and complex analysis of employees' understanding of engagement at Walkabout. Former employees were included in the sample, as it was anticipated that their perspective could differ from current employees, as the literature had

argued that disengagement was related to staff turnover (Frank et al., 2004). See appendix A for both interview schedules. The main engagement themes were extracted primarily from the interview data. These themes were used as categories under which survey items were generated (Dunham & Smith, 1979).

Interviewing process.

Interviews commenced on July 19th, 2004 and were completed on September 19th, 2004. Twenty four interviews were face to face, and two were conducted via the phone due to the geographical location of the interviewee. Twenty six interviews were completed in total; however, only 25 were used in the analysis, as one tape broke during transcription. Interview length ranged between 40 minutes and 1 hour. A semi-structured interview strategy was employed, with included pre determined interview questions and related probes (Patton, 2002). Separate interview schedules were used for former and current employees, which covered the same topics, but used slightly different questions maintaining relevance to each group.

Method: Sampling strategy.

A stratified purposive sampling technique (Patton, 2002) was used to gain a broad spectrum of opinions from Walkabout employees. Interviewees ranged in age from 25 to 45 years. Length of tenure ranged from 6 months to 18 years, 11 of whom were men, and 15 women. Four different subgroups were identified and targeted to ensure a range of opinions was collected. These subgroups included: 9 subject matter experts, 5 Walkabout team leaders, 6 former employees, and 5 novices (new recruits). See chapter four for details already presented on these four different subgroups.

Participant recruitment.

In order to adhere to privacy issues, potential participants were initially contacted by the company liaison and permission granted before contact details were passed on to the Researcher. Interview times and locations were then arranged directly with the interviewee. Before the interview commenced, an explanatory statement was given to the interviewee and a consent form signed.

The coding process.

Each interview was taped, transcribed, and reviewed for transcription accuracy. Thematic coding (template analysis) was used to categorise the data (King, 1998), whereby the majority of codes were pre determined according to the four main engagement models reviewed in chapter two.³⁰ Codes were added or amended where necessary according to the interview material (King).

Working with NVivo's data sorting tools, two initial coding categories were designed. These coding categories formed coding trees which were composed of "parent nodes" - main categories (themes), and "child nodes" - sub categories under parent codes (Bazeley & Richards, 2003).

The first coding tree contained data relating to the engagement definition including:

- Data used to establish a working definition of engagement
- Data used to assess the engagement relationship between the employee and the organisation

³⁰ Because engagement was a relatively new construct at the time, in addition to the four models and measures reviewed in chapter two, other surveys were reviewed and considered to ensure all relevant coding categories were included in the initial analysis. The following surveys and related theory were included in the wider review: the Towers Perrin Engagement Report (2003), the ISR model (Harding, 2003), and OD online (OD_Online), Cheney's Organisational Identification questionnaire (Cheney, 1983), Downs' Communication satisfaction questionnaire (Downs, 1977), and Quinn and Staines Facet free job satisfaction questionnaire (Quinn & Staines, 1979).

- Data used to describe employees' perspectives on engagement and its consequences.

This coding tree was composed of 5 parent nodes and 19 child nodes³¹.

The second coding tree contained data relating to engagement antecedents.

This coding tree was composed of 11 parent nodes, and 40 child nodes. See appendix B for these original coding trees.

For each of the 16 parent nodes, a report was run containing all coded material relating to that node. These reports were scanned for coding consistency, where necessary data was recoded and the report was run again. From these reports, summaries of each parent node were written, identifying the main themes and potential survey items. In addition, summaries of each interview were written and used as a cross reference for the main themes captured in the parent summary reports.

Once a thorough understanding of the data was established and in accordance with NVivo procedures and data reduction procedures (Bazeley & Richards, 2003; Patton, 2002), coding categories were amalgamated. This served to reduce unnecessary complexity and repetition. This reduction process was repeated on three separate occasions to ensure that the main points of interest were maintained. The process involved the re-reading and re-analysing of coded and interview transcript summaries. Once this complex process was completed, 12 main themes were established (represented by parent nodes), under which 43 sub categories, (represented by child nodes), were included. It was from these themes and sub categories that survey items were generated. See appendix C to view the final coding tree.

Qualitative Analysis Findings: Main Themes Identified

The remainder of this chapter outlines the findings from the qualitative analysis. Of the 12 themes identified, the first 2 themes dealt with defining engagement and identifying the parameters of the engagement relationship. These were established so that the type of engagement Walkabout employees were referring to was clear, and ensured that survey items generated from this qualitative data 'captured' the nature of engagement as it was represented at Walkabout (DeVellis, 2003). The other 10 themes functioned as drivers of engagement - aspects of the work environment that served to generate and maintain the felt connection between the employee and the organisation. These driver themes were summarised using a maximum of three main points. The number of documents coded for each variable was used as a guide to determine its level of importance. To make this process clearer, table 5.1 (presented prior to the 10 drivers on page 95) provides a summary of the driver themes, the variables included within each theme, the number of documents coded, and the main points summarised. By summarising the data in this way, complex issues were simplified without losing the main concepts contained in the interviews. The main outcomes extracted from this summarised data included: a working definition of engagement, a set of variables from which survey items could be generated, and an updated version of the proposed engagement model, ensuring its relevance to the Walkabout population. The 12 themes are now presented using mainly employee interview quotes as examples³². Findings are compared to other sources of engagement literature, highlighting the similarities and differences of the current study with other engagement related research.

³² Original names of the interviewees were replaced with two letters for the sake of confidentiality. Also, any reference made to the company by interviewees has been replaced by the company pseudonym: Walkabout.

Themes Relating to Engagement and its Definition

The following two themes include data explaining how employees at Walkabout understood engagement. This data was used to form a working definition of engagement, bringing clarity to what needed to be measured in the subsequent engagement survey (DeVellis, 2003).

Theme One: Engagement Defined

Walkabout employees talked of engagement as though it included emotional, behavioural, and intellectual elements. In these terms, engagement at Walkabout most closely represented the Hewitt definition of engagement (Hewitt, 2004). However, the particular emphasis placed on the emotional element was reflective of the Gallup model of engagement (Buckingham & Coffman, 1999). Emotional engagement and general engagement were so closely linked in some interviewees' minds that they used to terms interchangeably. For Walkabout employees, engagement was primarily concerned with their relationship with the organisation, to the point that highly engaged employees did not see themselves as separate from the company. This was reflected in one subject matter expert's description of her relationship with Walkabout:

When you talk about Walkabout, I think of me. I don't think an organisation or whatever, I'm Walkabout. The people that are here with me are Walkabout. So I have been here so long that I can't separate myself from the company (interviewee BQ, 2004, para 158).

This company leader did not differentiate between herself and the company; in her mind they were one. A relatively new employee described engagement in

terms of his relationship with Walkabout, but made reference to the company in a less personal way referring to values, vision, collaboration, and community:

My definition of engagement would be a measure of the extent to which an employee identified with an organisation full stop...the extent to which I identify with the company is the extent to which I believe the company's values are consistent with mine. That I can truly see myself as part of the company's vision, that the vision is actually a shared vision. Um, that I belong in a collaborative effort, um, you know, yeah it's that sense of belonging (Interview BF, 2004, para 122).

No matter how long an employee had been with the company, engagement appeared to be about the emotional - and to a lesser degree - the intellectual connection felt towards the company. Some spoke of the behavioural elements associated with engagement, but this was not emphasised. For Walkabout employees, engagement included the sense of being part of something they believed in, enjoyed, and felt part of. In terms of a working definition, an adaptation was made from the interview with BF, and his comments included in para 122 (above).

Working definition of engagement.

the extent to which employees identify with their organisation: its people, values, purpose, and culture. Engagement is about the level of emotional connection employees feel toward their organisation; the passion and enthusiasm they feel, and their motivation towards supporting the company's goals.

Theme Two: The Engagement Relationship

When defining engagement as a relationship, it was important to identify what employees perceived the relationship to include: themselves and the organisation, themselves and coworkers, themselves and their job. As illustrated above in the engagement definition, Walkabout employees spoke of engagement primarily in terms of a relationship with the organisation. Again, this was a concept that resembled the consultancy models of Hewitt, and of Gallup, which referred to engagement as the emotional commitment an employee had toward their organisation (Coffman & Gonzalez-Molina, 2002; Hewitt Associates, 2004a). However, for Walkabout employees the engagement relationship was complex, as “the people”, and “the organisation” were often referred to interchangeably. The conceptual bridge between these two variables appeared to be the company’s philosophies (detailed in chapter three). By developing a strong culture, where employees shared similar values to each other, as well as the organisation, ‘membership’ in the Walkabout community encouraged employees to establish an intense emotional connection to both their work colleagues and the organisation. Walkabout appeared to do this by emphasising the ‘personal’ aspect of colleagues’ interactions with one another, which was encouraged through frequent social functions for teams and regional groups. Such functions served to forge friendships among colleagues encouraging people to have fun with like minded individuals. In illustration of this, a subject matter expert explained what was most important to her at Walkabout:

The one underlying consistent would be the people; absolutely the people. Because Walkabout has a very strong philosophy therefore it has quite well aligned values to individuals so people who work here feel like you do. They are generally quite ambitious, they are generally quite dedicated. Uhh, [they]

show a lot of commitment or tenacity, they are high achievers, they like to be with other people who like to achieve (interviewee BQ, 2004, para, 62).

A strong culture of like minded people was noted as the underlying principle that fuelled a sense of belonging and loyalty to the organisation. This dynamic of ‘personalising’ the work environment was mentioned in the Gallup research, whereby “having a best friend at work” was said to be a key ingredient to maintaining engagement (Buckingham & Coffman, 1999).

Now that the concept of engagement as it pertains to Walkabout employees has been established, the following 10 themes will address what, according to Walkabout employees, generates and maintains engagement.

Ten Main Driver Themes at Walkabout

To help clarify the large amount of detail presented in the following 10 themes, a summary table has been provided (table 5.1). Each theme is defined and relevant coding nodes listed. The number of documents (employee interviews) containing material relevant to that theme has also been listed beside each node to indicate its relative “weight” or importance. In the right hand column the main points of each theme are identified. This is not an exhaustive list, but details the main topics discussed which incorporate the majority of ideas presented.

Table 5.1

The 10 main driver themes summarised from the qualitative data.

<i>Driver theme definition</i>	<i>Variables (nodes) included in each theme & number of documents coded per variable</i>	<i>Main summary points for each theme</i>
Senior leadership referred to those in management positions that reported directly to the CEO. They were the decision makers responsible for the company's longevity, and profitability.	Competency (9) Role model (6)	<ul style="list-style-type: none"> ▪ Run the company successfully ▪ Act as a role model for the company's values ▪ Be available to all employees
The immediate manager or team leadership was the employee immediately responsible for the management of their work group.	Caring (9) Encouragement (8) Cultivates talent (5) Feedback (2)	<ul style="list-style-type: none"> ▪ People centred, supportive leadership ▪ Coach each member to successfully meet their work goals
Community referred to the 'people' aspect of an employee's work experience.	Support (12) Collaboration (8) Friends (5) Communication (6) / participative decision making (10) Dependability (12)	<ul style="list-style-type: none"> ▪ Collaboration ▪ Camaraderie ▪ Communication
Employee empowerment referred to the employee's experience of having enough freedom to make the decisions necessary to get their work done in the best way possible.	Autonomy (4) Influence (3) Feeling valued (3) / work valued (4) / ideas valued (4) Control (9)	<ul style="list-style-type: none"> ▪ Having a sense of control over their work environment ▪ Feeling valued for their work contributions
Opportunities referred to avenues within Walkabout that promoted career advancement.	Personal growth (18) Training & development (20) Career opportunities (17)	<ul style="list-style-type: none"> ▪ Career development ▪ Professional learning ▪ Personal growth

<i>Driver theme definition</i>	<i>Variables (nodes) included in each theme & number of documents coded per variable</i>	<i>Main summary points for each theme</i>
Work experience referred to the day to day aspects of an employee's work experience.	Time (19) Intensity (20) Physical energy (3) Mental energy (6) Meaning (4)	<ul style="list-style-type: none"> ▪ Workload
Values referred to a personal match in values with the organisation which included the linking of personal and organisational goals.	Goals match (3) / appropriate goals (2) Pride (1) Personal match (13)	<ul style="list-style-type: none"> ▪ Match of values between the employee and the organisation
Rewards & recognition referred to rewards received (including recognition) for meeting work targets.	Pay (21) Recognition (12) Benefits (1)	<ul style="list-style-type: none"> ▪ Motivational tool ▪ Behavioural reinforcer ▪ Helping employees feel valued
Customer focus referred to the support provided to employees for meeting their work targets associated with serving customers.	Theme not included in original coding tree	<ul style="list-style-type: none"> ▪ Adequate job resources ▪ Linking customer satisfaction with pay ▪ Providing employees with a product they believed in
Continuation referred to an employee's desire to remain with the organisation: reinforced by experiencing positive work challenges, and having access to a career path that met employees' personal goals and desires.	Theme not included in original coding tree	<ul style="list-style-type: none"> ▪ Brightness of future ▪ Desire to grow professionally and personally

The first three engagement themes dealt with the 'people' aspect of engagement at Walkabout which included senior leadership, team leadership, and community. A summary of themes is now presented.

Theme Three: Senior Leadership

Senior leadership referred to those in management positions who reported directly to the CEO. They were the decision makers responsible for the company's longevity and profitability. According to Hewitt researchers, senior leaders accounted for 40% of the variance in engagement scores making them the single most important engagement driver (Bennett & Bell, 2004). The qualities identified by Hewitt researchers of an engaging senior leader included the ability to communicate the company's vision and strategic goals in a way that incited challenge and meaning. According to Hewitt Associates (2005), this served to encourage employees to support the company in meeting those goals, ensuring a successful organisation.

At Walkabout, topics that concerned senior leadership were different than those presented by Hewitt researchers, as Walkabout employees described senior leadership more in terms of "leading by example," as opposed to goal alignment – a role which was reserved for the immediate manager (see next section). The three main points relating to senior leadership and engagement included: the ability to run the company successfully, the ability to act as a role model for the company's values, and the ability to be available to all employees, including being open to feedback.

The first point referred to senior leaders' competency. As a rule, Walkabout's senior leaders had strong people management skills a trait supported by a company culture that encouraged its leaders to work on an interpersonal level with their teams, to inspire great performance through creating a sense of personal meaning and fulfilment. In the Profit Guide, the document which outlined the "area leader's" role included the following guidelines:

The Area Leader's job should be 20% perspiration activities and 80% inspirational activities. It should be 80% Spiritual and 20% Physical....Much of your time and effort needs to go into Motivating, Inspiring, Recognising,

Rewarding and Information Sharing with your Team Leaders (and Team Members). This needs to happen in Day Planners, one on ones, Weekly Team Meetings ...as well as conferences and Award Nights. Inspirational or Spiritual effort mainly (internal company document “work roles – area leader role”, para 16 & 21).

In terms of business management skills, comments from interviewees were mixed, expressing a concern about the ability of senior leaders to navigate the company through impending changes. One former senior leader, who had gained much of his professional experience outside the company, described his perceptions of his colleagues at Walkabout in terms of business management skills:

Senior management ranks within the company are ill equipped to manage the diversity of what the company’s future challenges are. Effectively we have got general management [who are] sales managers who don’t have technology skills who don’t have business planning skills. Strategic planning skills are almost non existent in the business. Um, and that’s their huge weakness (interviewee TU, 2004, para 80).

A subject matter expert echoed the above sentiment by saying “they are not really senior management running the company, they are just sales managers. In any other company they would be sales managers and wouldn’t be allowed any where near running the company” (interviewee IC, 2004, para 212).

The second main point for senior leadership concerned the role modeling of company values. The values were formalised by the 10 philosophies detailed in chapter three. Cultural sayings such as “model the way” or “lead by example” were

often referred to in terms of desired leadership behaviour (interviewee BF, 2004, para 218, interviewee QN, 2004, para 46). Leaders who used the philosophies as a guideline for desired behaviour were respected and admired. However, there were inherent difficulties in acting out each philosophy specifically the tension between “people” and “profit”. Philosophy number one: the “people” philosophy noted the importance of showing care and concern for employees, an important engagement enhancing strategy cited in the literature (Melcrum Publishing, 2005). However, in a company relentlessly focused on profit, the difficulty between role modeling both philosophies was evident in the interviews. Comments revealed that almost all leadership decisions, behaviours, and communications from senior leaders emphasised profit. As one member of the human resource department explained, the emphasis on figures came from the CEO down, a leadership trait pervasive throughout the company:

Look I think to be completely honest I think we need, I think we’ve gone away from our people a little bit. Yeah it’s philosophy number one but you know when you see for example in a newsletter... from [the Managing Director] or [the CEO] it’s numbers, numbers, numbers, numbers, results, results, results so even the language of it isn’t particularly to use the term humanistic and encouraging.... so it’s therefore no surprise to see [the] global human resource³³ newsletter being mostly about the numbers, the national human resource’ newsletter being mostly about the numbers. I mean we’re talking human resource for God’s sake so we should really [be] the people that are talking about the people. You know? (interviewee BF, 2004, para 246).

³³ The term: “human resource” has replaced the name given to that division within the company as the real name was company specific. The term “human resource” is used throughout the thesis as a replacement.

A subject matter expert acknowledged the struggle between running a successful, profitable company and communicating care and concern for employees. However, she believed that Walkabout was better than other companies in achieving this balance:

People do believe, I generally think, that the company does have their best interests at heart, and there's always going to be that balance between that bottom line profit and people development but I believe um, not that I've experienced many other companies, but I do believe we are pretty good at putting a balance between the two (interviewee DI, 2004, para 78).

The third main point for senior leadership concerned the availability of senior leaders to all staff. Walkabout had structures in place that encouraged employees to communicate with one another - regardless of department or level of authority. On the company intranet, all employees' mobile phone numbers and e-mail addresses were listed, including the CEO's. No one had a secretary or "gate keeper" screening e-mails or phone calls. Generally speaking, employees felt as though they could contact the most senior leaders if need be. When asked what made working at Walkabout a positive experience, retail consultant (Interviewee EI, 2004, para 82 - 86), who had been with the company nine months explained:

EI: I guess it's the support network that we've got because I'm a feel person. I'm a touchy feely person, I need support and I always feel that I've got support here....So if I'm struggling with something and I don't know what to do, I can just ask and I can ask my manager, and if she's not available I can ask the area manager, and if she's not available I can probably go right up to the top if I really needed to. I probably wouldn't ever have to but. Yeah so

that to me is why I come to work to be with the people and to do my best for Walkabout because they do their best by me.

Researcher: That's interesting. So you really can access any level of management that you need?

EI: Yes, anybody at all. Right up to the top man. Mr Walkabout himself.

Providing channels for employees to contact senior leaders directly helped employees to feel supported and important. It also provided a mechanism by which employees could ask questions or give feedback to senior leaders about aspects of their work environment that they would like changed.

To summarise, senior leaders needed to demonstrate high levels of competence, including both people management and business management skills. In addition, employees needed to believe that leaders were authentic in their company rhetoric and that they role modeled the company's values through their actions and decision making. Also, senior leaders needed to be accessible to all employees, which demonstrated support and fostered two-way communication. According to interviewees, employees wanted to feel some type of relationship with senior leaders, even if it was just figuratively. This element of personalisation extended to the immediate manager where interviewees emphasised the 'people' aspect of leadership once again.

Theme Four: Immediate Manager / Team Leader

The immediate manager or team leader was the employee immediately responsible for the management of their work group (maximum seven employees). The immediate manager (team leader) was reported to have significant influence on how employees experienced engagement, a concept strongly supported by Gallup researchers who argued that the team leader was the most influential engagement

factor (Buckingham & Coffman, 1999). Within Walkabout, the immediate manager's influence on engagement was summarised into two main points: a people centred, supportive style of leadership and the ability to effectively coach each team member to successfully meet their work goals.

The first main point concerned the need for immediate managers to demonstrate a people centred supportive style of leadership. As with senior leadership, the immediate manager needed to possess both business management skills and people management skills. Because managers were promoted to their current position based on previous successes and not leadership skills, new team leaders varied in their ability to lead. For example, in a retail shop, immediate managers who were excellent sales consultants were promoted to retail team leader. However, people management skills were not specifically screened for. A subject matter expert explains:

Just because you are good at making things doesn't mean you are going to be good at running a team who are making things....just because you have been successful at climbing the greasy pole of success because you are extremely motivated and a high achiever doesn't mean you will be any good when you get in the position of looking after other people (interviewee EC, 2004, para 212).

When an immediate manager did not possess people management skills, both engagement and staff retention in their team appeared to be negatively affected. The group which was most affected by this were the new recruits assigned to busy retail offices. If their leader was unable to provide the necessary support to help them overcome initial on-the-job challenges such as demanding customers, long work hours, and high workloads, these new employees often left the organisation. This

was noted as a primary cause for the high staff turnover rates for new recruits. One former employee explained how the company “churned” through new recruits, a dynamic fuelled by what he argued as unsupportive team management:

They [immediate managers] don't burn out the travel consultants in the shops who have only lasted three months, they just churn them because they don't know how to look after them and keep them in the structure. And they probably would treat some of them inappropriately too because I mean they are desperate to put bums on seats.....and the failure rate, you know it's simple maths for the company, you've got a 20% growth factor, 30% churn factor you need 50% more people every year in the junior ranks (interview TU, 2004, para 295).

This “churn” dynamic was being addressed by the human resources department by implementing a Transformational Leadership training program for immediate managers which focused on people management skills. In terms of the JD – R model of engagement (Schaufeli & Bakker, 2004), this effectively increased job resources not only for the immediate managers in terms of increasing their skill base, but also increased job resources for their team members by providing more ‘people’ oriented support. In a work environment such as Walkabout that was noted for high work demands, increasing job resources was arguably an effective strategy for maintaining engagement (Bakker et al., 2007)

The second main point for immediate managers was the ability to coach team members to be successful at reaching their work targets. A people management strategy that immediate managers were noted for was motivating team members by aligning their personal goals with the team and the organisation, a strategy mentioned in the Hewitt literature (2005) as engagement enhancing. When asked

how he generated engagement in his team, a highly successful retail manager explained:

In terms of creating engagement the single most important ingredient is the ability to get people on board and committed to the vision of the team.... I guess what you have to do is look at what motivates your staff. So to get them to engage in team goals you have to look at what are their personal goals and how can we get engagement from them in order to get team engagement as a broad thing...so for me I personally try and work on people's motivation. "What motivates you?" "What do you want out of this?" What are you wanting out of life?" All those various types of things to get them to engage in what the team is trying to achieve. I guess it always comes down to selling the benefits to a Consultant. What's in it for them to engage?" (interviewee TN, 2004, para 290).

By coaching employees to achieve work goals in a way that aligned personal goals with the needs of the organisation, both parties benefited. Walkabout had a specific philosophy that addressed the achievement of personal and professional goals: "brightness of future" (philosophy six). This referred to the formal and informal structures within the company that supported employees in their hopes, aspirations and dreams. Immediate managers (and area leaders) were charged with the responsibility of ensuring that each employee had a "brightness of future". This is explained further under the theme continuation.

Overall, immediate managers who adopted a people centred leadership approach and were able to coach team members to be successful at achieving their work targets in a way that was personally fulfilling. To achieve this, immediate managers not only needed to have the business acumen to do their job, but also

needed to be competent at 'people' management. A relatively new employee explained:

I personally and professionally have never felt as motivated or as valued or as recognised as I do with my current leader [immediate manager]. She is you know she is the simply the very best that I have ever had. And why is that?....Because she is so fundamentally, her approach is so fundamentally based in the transformational aspect of leadership. Now does that mean she doesn't have a view on transaction? Absolutely not. She still drives that and drives that remorselessly, we're still, we're on budget and we're doing real well, in fact we're doing better than budget. But the transformational stuff, you know she does from a point of view of excellence so there's still the expectation on delivering on the goods, but that's her focus. You know she has a weighting towards the transformational side and well blow me down, surprise, surprise, the transactional side just happens, because you know I am engaged (interviewee BF, 2004, para 278).

The 'people' aspect of engagement extended beyond leadership positions and into the general culture of Walkabout. The next theme, community, addressed the people aspect of the work environment, which was discussed at length during employee interviews.

Theme Five: Community

The theme community referred to the 'people' aspect of an employee's work experience. It was summarised under three main points including collaboration, camaraderie, and communication. A strong sense of community helped employees feel engaged by creating a fun, friendly, work community of like minded individuals.

Community, for Walkabout employees, was similar to Leiter and Maslach's (2004) concept of community which encompassed the overall quality of social interaction at work, including conflict issues, mutual support, closeness, and teamwork. Leiter and Maslach found that employees functioned best when they experienced praise, comfort, happiness and humour, and shared these things with those they liked and respected. This was true for Walkabout employees.

The first main point for community was the strong sense of camaraderie that Walkabout fostered. Walkabout's hiring practices promoted a strong culture of like minded individuals, helping employees feel part of a large family. The strong culture Walkabout created was often referred to as "cult-like" (interviewee DI, 2004, para 208, interviewee HH, 2004, para 119, interviewee IC, 2004, para 50). The term "cult" referred to the ability of Walkabout to create such an intense sense of belonging that employees found it hard to leave the organisation, or if they did leave, they returned. When asked what was unique to Walkabout that created high engagement, a long serving subject matter expert shared her perception:

My perception is definitely the family, definitely the people... some of your best friends work at Walkabout, and everyone's very much like minded. They are young, they are motivated, they are looking outside the square a lot of the time, and they are really enthusiastic people. So the people that Walkabout employ definitely creates this family / tribe atmosphere (interviewee HS, 2004, para 70).

However, for employees that did not identify with the culture, their experience was not so positive. Those employees hired in at senior levels, who had not 'grown' through the ranks via internal promotion, were vulnerable to not feeling such a strong identity. Sometimes the behaviour of longer serving employees made these relatively

new employees feel excluded. One former senior manager who was hired at a senior level described his experience:

The people who are the true heart of the company [those internally promoted], were less accepting of an outsider, unless the outsider fitted the profile that they wanted. So um, you know the expression, “fit in or fuck off” was used quite frequently and they mean it (interviewee TU, 2004, para 52).

This “fit in or fuck off” (interviewee BF, 2004, para 234; Interviewee NX, 2004, para 410; interviewee TU, 2004, para 52) attitude was culturally acceptable, but appeared to have a negative affect on camaraderie between “insider / outsider” groups. Interviewees explained that such tensions also effected collaboration as perceived outsiders felt excluded from social and resource networks.

On the other hand, Walkabout had effective mechanisms for supporting collaboration, the second main point under community. The company’s structure was based on small work groups of no more than seven people (philosophy eight). These small teams were connected to the larger organisation by a comprehensive network based on geography and work function. By linking incentives with work group goals, team members were motivated to work together. One former employee explains:

If you can get a team of seven people sitting and working together who love working together who are focused on one outcome that’s a wonderful thing, that’s the strongest thing you could possible have and that’s probably something that Walkabout does better than anyone (interviewee NX, 2004, para 270).

Interviewees also explained how Walkabout's small team structure addressed the challenge of the company in transition from a small company into a large company where everyone understood their place and purpose and did not feel "lost amongst the crowds."

The third main point under community was communication. At the interpersonal and team levels, Walkabout had effective structures in place that fostered communication such as weekly team meetings, which encouraged regular communication among colleagues on work related activities, and weekly one-on-one meetings between the immediate manager and team member which encouraged regular feedback on work performance. However, at the company level, there were reported inefficiencies, specifically in terms of communicating change. When employees did not feel included in communications regarding change that directly affected them, their sense of loyalty toward the company was eroded, resulting in feelings of miss trust toward senior management. During a personal conversation with the company liaison, she described her relationship with the organisation as turning "one-way" when she was made aware that her position was up for review (under the restructure scheme outlined in chapter four). Her feelings toward the company changed when she was not given the opportunity to give her input on the matter; instead she waited approximately four months for a decision to be handed down. During this time, her engagement eroded (personal conversation, human resource manager, March, 2005). Employees expressed the desire to be included in decision making processes concerning change, or at least have the opportunity to give their opinion. In terms of engagement effective, timely, and where practical, inclusive, communication appeared to be important particularly in times of organisational change.

In summary, the community theme was another people centred aspect within Walkabout that employees perceived as important in generating engagement. A

strong culture that helped employees feel a sense of belonging generated

camaraderie, while small work teams supported collaboration and communication.

Now that the three themes relating to the 'people' aspect of engagement at Walkabout have been reviewed, the remaining seven themes are now outlined. The diversity of the seven remaining themes demonstrates the breadth and complexity of the engagement construct, making subgroup classification difficult. Therefore they are presented individually and in no particular order. The next theme; employee empowerment, refers to engagement dynamics that help employees feel valued and trusted, while at the same time giving them a sense of control over their work environment.

Theme Six: Employee Empowerment

Employee empowerment referred to the employee's experience of having enough freedom to make the decisions necessary to get their work done in the most effective way. Empowerment was summarised by two main points: employees having a sense of control over their work environment, and feeling valued for their work contributions. These two main points had similarities to Maslach and Leiter's "control" driver, which was incorporated into their engagement / burnout model (1997). According to Maslach and Leiter, for employees to feel engaged, they need to be involved in decisions that affect their work and be empowered to function autonomously. The difference for Walkabout employees was the importance placed on feeling valued.

For the first main point of empowerment, feeling valued was effectively generated at Walkabout through the company's reward structure, which formalised the process of goal setting and achievement. Each employee, along with their team leader, set monthly productivity targets (KPI's). Setting and achieving targets gave employees a sense of self efficacy, as one new recruit explained. "It's very

empowering to set goals and then achieve those goals, yeah, and then being rewarded by that as well. Not only does it make you feel better about yourself, but then be rewarded financially as well” (interviewee BC, 2004, para 163). Supporting employees in obtaining their goals was positively reinforcing for Walkabout employees. Not only was this an effective engagement strategy, but it also functioned as a retention strategy for those who were successful.

The second main point concerning empowerment was maintaining a sense of control over one’s work environment. Walkabout employees were given relative freedom to meet work targets the best way they saw fit. The only formal guide to their work practices were the company’s philosophies (outlined in chapter three). This sense of freedom engendered an unspoken belief in employees’ abilities. A subject matter expert explains:

I think we nurture people to be autonomous. That we will set you up and say we trust you to go ahead and do the role. So there is an unspoken “you’re intelligent, so we will set you up and there you go” (interviewee KX, 2004, para 232).

This sense of freedom was noted in the demand–control literature (Karasek, 1979) as helping to alleviate the stress generated by highly demanding work environments, such as those described in Walkabout’s retail division. Interviewees pointed out that retail staff were particularly susceptible to feeling out of control, mainly due to heavy workloads. This was compounded by continual demands from customers. One former retail consultant explained how his level of engagement was directly influenced by the level of control he felt during his work day. Two things which helped him cope with highly demanding situations were increasing his skill level through on the job experience and having supportive colleagues to help him:

I guess it's just a matter of feeling in control of what is happening in the office which is something that didn't always happen. So on days when you did maintain control over your work for the day it was always was really good feeling. It always was very much a struggle to keep on top of your days work and my very first team leader [immediate manager] said you know get used to the fact that you are always going to feel like you are drowning under your workload because that's the way the job is. But then as you got I guess more experienced and more organised there were days when you could control what was happening and I think that only comes with experience, and also having a good team around you. You know if you've got a good team that can support you and see when you are really snowed under and offer you some support by maybe helping out your customers or whatever. That makes a huge difference (Interviewee TF, 2004, para 358).

In summary, feeling empowered meant having the freedom to get on and do the job that needed to be done, while at the same time, helping employees feel valued for the contribution they made. Another theme that Walkabout interviewees noted as important in terms of maintaining engagement was the provision and possibility of work opportunities within the company.

Theme Seven: Opportunities

The theme 'opportunities' referred to avenues within Walkabout that promoted career advancement. The inclusion of this theme was not a surprise, as Hewitt research (2005) positioned internal career opportunities as the number one engagement driver for Australian employees. The theme of opportunities was summarised under two main points including the opportunity for career development, and the opportunity of professional learning.

The first main point concerned the ability of Walkabout to provide an abundance of career opportunities due to the company's rapid and continuous expansion (see details in chapter three). The ever increasing number and variety of jobs, coupled with internal promotion meant that career opportunities were numerous. Not only was this an effective engagement strategy, but it was also valuable in terms of attracting and retaining employees. During induction day, new employees were told about the limitless career possibilities on offer (Induction Day, July 12th, 2004). Several "rags to riches" stories were given as examples, which told of numerous employees who had started out as travel consultants and were now senior managers of the company. A division manager explained that "it's not what you're getting, it's what you are becoming," referring to his steep seven year career advancement in Walkabout that saw him climb from earning \$35,000 to \$180,000 (induction Day, July 12th, 2004). It was noted that at the time of data collection, thirty millionaires currently worked for the company their fortune earned by working for and owning a part of Walkabout³⁴ (Induction day, 12th July, 2004). These stories served to inspire new recruits and build hope that would help carry them through the steep learning curve of their initial six months.

The second main point under opportunities concerned professional learning. This need was met through formal and informal mechanisms. Formal mechanisms provided by the human resource department included a two week training for new recruits, on-going product development and educational experiences, leadership training and development, and the opportunity to do a bachelor's or master's degree through the internal university called "Williams James School of Business"³⁵. Walkabout had acknowledged the need to provide development opportunities for

³⁴ Employees were encouraged to own company shares – purchased at a discounted rate. They also received commission on sales. In addition, leaders had the opportunity to buy into the profit of their work group (Business Ownership Scheme: BOS) (Johnson, 2005).

³⁵ The William James school of Business was an internal department that provided the structures for employees to gain a bachelor or masters degree awarded by the US based Revans University which was internationally recognised (Johnson, 2005).

employees, not only to help them do a better job, but also as a retention strategy. A subject matter expert explained how the company acknowledged the need to provide formal training and development and had focused on building a systemised structure to deliver this:

The opportunities are there. The opportunities are also there to develop yourself. So there's particularly now the focus is on looking at a path for yourself, a career path, and being able to find what you need to develop yourself and with whatever tools are available within the company, whether that's training courses or mentors, or coaches or um other materials that are sitting behind a learning management system for an example that people can read or watch or do. Um, but I think people coming in can safely have a high expectation of learning and development and we are slowly getting systemised in that (interviewee DI, 2004, para 246)

The informal mechanisms of learning on the job were just as important at Walkabout. A subject matter expert explains:

There are plenty of um, formalised training and development things offered to you both professionally and personally but I think some of the greatest learnings or development in Walkabout is through um, non traditional methods. And that is sitting in a team where we ask even a novice to be part of a business plan and set the business plan and set the strategies and talk about what we might do for local store marketing and talk about whose going to take the banking to the bank and talk about what kind of commission we need to make this month to make profit. Um, we talk all those business things from day one, when a novice joins us. So there is a level of learning

that goes on through osmosis or just sharing within a office that professionally and personally develops someone that you may not get in another organisation (interviewee BQ, 2004, para 206).

Encouraging employees to learn on the job provided training for future promotion prospects. One subject matter expert explained how working at Walkabout “encouraged you to stretch yourself, often beyond what you thought yourself capable of” and went on to say:

A lot of my growth has come from experiences in Walkabout where I’ve been absolutely pushed to the limit and I have to decide will I continue to take it on and break through or will I pull back and cave. You know, it is an environment that does that. It does push people a lot. No, we don’t actively sit down to try and push people, I think because we are quite fast paced and growing, people sign on for that and next thing find themselves pushed to limit trying to do something that they never anticipated they had the ability to do (interviewee BQ, 2004, para 208).

Walkabout employed people excited by challenge. Right from employee induction day, this was emphasised. However, it was difficult for new recruits to be prepared for the level of challenge that lay ahead as explained by one former employee that had worked for nine months at Walkabout before choosing to leave:

I think I have grown... I think I have shrunk in a little way too. My tolerance for people has receded a bit. Tolerance for sitting down and talking to people and a lot of time I feel so anxious that I can’t. I just feel like there was so

much pressure in that nine months that I need a little time now just to regain who I was (interviewee FF, 2004, para 310).

For this former employee the challenge proved too great, resulting in an experience of personal contraction. As argued by Csikszentmihalyi (1990), too much challenge can have negative results, which in this case, led to high levels of personal stress to the point that it was better for the individual to leave.

Providing employees with an abundance of career opportunities was an effective engagement strategy and one which also served to attract new employees. Training and development was on the increase, with both formal and informal structures in place to support the process. Another engagement theme interviewees noted as important was their day-to-day work experience.

Theme Eight: Work Experience

Work experience referred to the day to day aspects of an employee's work experience. Issues such as adequate resources, efficient work systems, and a productive work environment all proved important in maintaining engagement at Walkabout. However, for those employees interviewed, the main point underlying their work experience was the issue of workload, as excessive work demands were often mentioned during the interview process.

The workload theme for Walkabout employees was similar to the workload theme of Maslach and Leiter's (1997) engagement / burnout model, which defined workload as the amount of work to be done in a given time period. Essentially, engaged employees remained so if their workload was sustainable (Leiter & Maslach, 2000b) indicating that a balance between work demands and personal resources was needed for engagement to prevail. High work demands were manageable if employees had enough time to recharge themselves, spending time with family or

enjoying other personal commitments (Maslach et al., 1996). For Walkabout employees, high work demands coupled with long hours appeared to contribute to disengagement, burnout and staff turnover.

Walkabout cultivated a fast paced work environment which, ideally, was challenging and rewarding. However, according to those interviewed, many employees, particularly those in the retail division, found these demands to be excessive, requiring extended work hours which took away from family and personal commitments. A subject matter expert privy to exit interview material explained this issue in terms of personal sacrifice:

When I'm reading those exit interviews...the one that really sticks out to me is "the amount of time I'm spending at work for the reward". And what they're really saying is the sacrifices I'm making. They're not saying really the reward they're saying this is time that I want to spend with my family, my partner, my husband, but now I'm at work and I'm not getting enough enjoyment from that to make up for the sacrifices I'm making over here (interviewee, SS, 2004, para 191).

The time away from family was a known issue for Walkabout management.

The term "Walkabout Widow"³⁶ was a cultural phrase for those spouses married to Walkabout employees, highlighting the fact that those that worked for the company tended to work long hours, and were figuratively "married" to their job.

The effort required to meet job requirements at Walkabout was well known. There was a general understanding among management that the high workloads were a contributing factor to the high levels of staff turnover. When attending staff

³⁶ A term used at a speech given during the human resource awards night – attended by the Researcher during participant observations (Human Resources annual ball, July 9, 2004).

retention meetings, the Researcher noted that senior leaders were actively trying to find ways of reducing what they acknowledged as unsustainable work hours. An employee who was on the retention committee and who was also interviewed explained her perspective:

As far as best practice goes we've got a bit to learn yet you know. Um but you don't want to throw the baby out with the bath water. I don't want to bring in a system which is completely to the other end which I would perceive is going really easy on people because its one of the drivers and one of the tensions in this business, especially in those first 15-20 years [of employment]. Maybe I'm trying to make life easier for me. But in those first 15 years you are proving yourself, you have got to work hard you know and it requires a great deal of focus and effort and it is 10/11 hour days if you want it to work for you. I don't know if it is sustainable I don't know whether or not we can change all that to make it this perfect environment that everybody can fit it all into a 9/10 hour day. But we probably have to look at that because that would be one of the reasons why staff are leaving. You know some of the pressures that they feel (interviewee NN, 2004, para 42).

One of the strategies used to address excessive workloads was the Full Throttle initiative (detailed in chapter three). Updating current work systems which had been described as "very very manual" (interviewee NX, 2004, para 426) was a method aimed at increasing work efficiency and reducing the time required to perform work tasks. Streamlining technology was an important step in this process. In terms of engagement, this was a concrete example of Schaufeli and Bakker's (2004) JD – R model of engagement, whereby adequate job resources (efficient work systems) served to reduce the risk of burnout and increase engagement.

For those employees who were able to cope with the demanding workloads and achieve the ever increasing work targets, work at Walkabout was reported to be immensely satisfying. They were productive, often far beyond what they thought themselves capable of, and were rewarded and celebrated for being so. This 'cycle of success' was described by a subject matter expert as "addictive"

I think people leave and then they feel like they want to come back because they get so entrenched in that element of you know recognition, and fun and hard work and you know responsibility and accountability. It becomes quite addictive. It's a bit like running. You know how it releases a certain endorphin in your head, yeah it's the same sort of thing, I think anyway (interviewee IC, 2004, para 50).

Success at Walkabout required dedication and personal sacrifice. As Csikzentmihalyi (1990) would argue, for employees who experienced a realistic balance between work challenges and personal ability, working at Walkabout was rewarding and engaging. For employees who experienced workloads as continuously excessive and beyond their ability, working at Walkabout was stressful and exhausting. A theme expressed by interviewees as helping to alleviate some of the workplace stress was the experience of having a personal affinity with the organisation's values.

Theme Nine: Values

Values referred to a personal match in values with the organisation, which included the linking of personal and organisational goals. The main point underlying the values theme was the concept of achieving a good values match between employees' personal values and Walkabout's values (represented by the company's

philosophies). According to those interviewed, employees who experienced a good values match found their work to be meaningful and fulfilling. Not only did this foster engagement, but it served to alleviate the stress of a demanding work environment. Maslach and Leiter (1997) also included the concept of a values match, but the difference here was the emphasis on the match with employees' work roles and not specifically the organisation. In the case of Walkabout, the concept of a values match was more similar to theories concerning "person – organisation" fit as opposed to Maslach and Leiter's (1997) concept of values match (see Cable, 2002; Sheridan, 1992).

Within Walkabout the company philosophies acted as a formal representation of the company's values operating as a guideline for all decision making and cultural conduct (induction day 12th July, 2004). According to those interviewed, employees who experienced compatibility between their own values and Walkabout's values experienced less effort in accomplishing their work, were inclined to remain with the company longer, and tended to be more successful in reaching their work targets. A compatible values match also functioned as a good attraction strategy. One new recruit explained that he earned three times as much in his former job but he came to work at Walkabout because of its cultural values. His explanation of this values match was expressed with excitement and enthusiasm:

It's almost a perfect fit. It's amazing. I feel, and I've only been here six months so maybe I've not seen everything and I haven't seen all aspects of the organisation. I certainly haven't met everybody and you know. But just the feel I get is that it really stacks up against my core values (interviewee BF, 2004, para, 20).

When asked what those values were specifically, he said “honesty” and “integrity”. He appreciated working in an environment where employees were “truthful to each other” (interviewee BF, 2004, para 26).

The concept of a match in values was supported at Walkabout right from the time employees were hired. Potential recruits were screened for a “can do attitude”, with personality traits such as the ability to have fun, manage risk, be adaptable, cope with conflict, and be proactive / use their initiative, were all highly regarded (personal conversation, recruitment consultant, July 21, 2004). “Culture fit” was the other important determinant (personal conversation, recruitment consultant, July 21, 2004). Skills and previous experience were not so highly regarded, particularly for retail positions. (personal conversation, recruitment consultant, July 21, 2004). Even though the company strived to create a strong culture fit right from inception, in reality not everyone was an ideal match. Those that did not feel a strong match with the organisation tended to experience their work as frustrating and stressful. An immediate manager described the work experience of a miss matched employee who had recently left the organisation:

[Her experience was] very frustrating I think...very difficult... she just didn't really gel with the clients, with the company, with their philosophies and with everything to do with working here and hours and things like that. You know how many hours you have to work...it really put a strain on that person and um, yeah I just don't think this person enjoyed it all that much...you could tell as soon as they walked through the door. Negative attitude and things but it got worked out. She has gone (Interview EI, para 142).

Because of Walkabout's strong culture, a match in values appeared essential for the engagement and longevity of an employee. Those that did experience a good

values match felt as though they belonged, and those that did not often choose to leave the company. Another theme raised by interviewees concerning engagement at Walkabout was the concept of rewards and recognition. The system that Walkabout had created to deliver rewards and recognition helped employees feel as though they were directly contributing to the company's success, while at the same time, feel acknowledged and valued for that contribution.

Theme Ten: Rewards and Recognition

The theme: rewards and recognition, referred to the financial rewards and public acknowledgement received for meeting work targets. At Walkabout, the reward structure was an effective engagement mechanism, particularly in terms of behavioral engagement. Behavioral engagement was a fundamental component of the Hewitt engagement model, represented by the "strive" component of engagement which Hewitt defined as "the extra effort and contribution to the business success with passion and motivation that only they [engaged employees] can give" (Hewitt Associates, 2004a, p. 5). For Walkabout employees, the theme rewards and recognition was summarised into three main points: a tool for motivating employees, a reinforcer of desired behavior, and helping employees feel valued.

As a motivator, the reward system was structured in a way that the more successful employees were at reaching their KPI's (key performance indicators), the more money they earned. For many that joined Walkabout, this theoretically limitless earning potential was an attractive concept. When asked what kept her engaged while working at Walkabout, a former employee explains:

The pay structure which is very much based on um how well you do relates to how well you get paid and while that can sometimes have negative impacts as well, most of the time it um you know for a lot of people it's a

positive um I guess, influence on how they feel about the company. They know that you know, if they work really hard it's not just the company that is going to do well out of it, they will do well personally out of it as well (interviewee TF, 2004, para 178).

By linking personal success and organisational success, the incentive-based reward structure served to motivate employees to produce desired work outcomes, which was linked to the second main point rewarding desired behaviour. The incentive-based pay structure at Walkabout was built around philosophy number five, "what gets rewarded gets done". In other words, by directly linking employees' financial remuneration to the achievement of their KPI's, employees were encouraged to focus their efforts on obtaining these goals. In theory, this strategy motivated employees to achieve their work targets. However, in practice, it was sometimes a 'double edged sword' as one former employee explains:

"what gets rewarded gets done"at it's purest; absolute magic. There is however, the catch is people become so involved in what gets rewarded gets done that they exclude what doesn't get rewarded still needs to happen. Um, and some of those things are as simple as customer service... at its very basic level, we pay people based on their performance of sales. Now if you were a smart and good consultant you would realise that if you only had customers that loved you, you would never have to acquire new customers....but each and every month we put the spotlight on their performance and we want to know how much in that month they've made. So consultants will sometimes compromise what could be the best possible customer service to drive a sale to get better commissions in that month and I think that that is our Achilles heel" (BC, para 114).

“What gets rewarded gets done” encourages employees to focus on the transactions necessary to complete their work tasks, which sometimes over shadowed the importance of more transformational aspects of the job. This dynamic was noted as affecting the immediate manager’s ability to take care of their team members, a new recruit elaborates:

The KPI’s are great, KPI’s are a measure, but they almost seem an end in themselves here. Um, and because of that relentless drive, we’re not giving our leaders the opportunity to step back and rather than work in the business actually work on the business and work on their people. So they are 80% perspiring and maybe 20% inspiring and that’s the difficulty with transactional leadership. Um, so the big challenge for us is to turn that around (interviewee BF, 2004, para 78).

The third main function of Walkabout’s incentive-based reward system is the linking of employees’ work goals with the company’s goals. This was an important concept cited in the Hewitt research (2005) which noted that Best Employers (those with high engagement) rewarded performance which was aligned with the organisation’s strategic goals. This helped to communicate to employees the value of their individual contribution towards the company’s success. When asked how Walkabout produced its high levels of engagement, a subject matter expert explained her perspective:

I think definitely the incentive structure, the philosophies and the values and I think even just the structure in terms of the fact that they keep all the teams really small. And I think everybody feels like I have an important part to play in the success of the company. So I think when you look at the philosophy

that you know we don't have receptionists and everyone does their own shit work as it used to be written in our philosophies but we've changed them now. Slightly nicer. Um, the fact that you know we don't have receptionists out the front who field your calls or we don't have um, that type of administration. I think everyone feels like they play a part in the success of the company. Everybody has KPI's that are reflective of their work and everybody's incentivised on it. So I think that helps to create a level of engagement. Cause I think everybody, here if you ask anyone in [head office], I would assume and hope they all feel like they have an important part in the success of the company (interviewee IC, 2004, para 86).

During an interview with a subject matter expert, the Researcher raised the question as to whether an incentive-based pay structure was an effective engagement strategy or just encouraged behaviour that looked like engagement. The subject matter expert being interviewed replied:

Its an interesting question, I haven't thought about if they are emotionally engaged or just working their ass off. Maybe they are just working their asses off. Cause [they] like to make the money that they are used to [making and] now they have to got to stay tuned in and drive the bastard as hard as they can, which is going to look like emotional engagement. There's a good point, maybe they are not ever emotionally engaged, particularly those that are just working their fucking asses off.... So maybe we don't have, by definition, because of the fact we loose our entire work force every three years, we don't have people primarily who are emotionally engaged we just have a lot of people on that hamster wheel going flat out. (interviewee EC, 2004, para 198).

An incentive-based reward structure motivates employees to behave in a way that supports the company's success which, according to Hewitt researchers, is behavioural engagement (Hewitt Associates, 2003b). However, the Walkabout case raised an important issue; the need to distinguish between behaviour motivated by an effective reward structure, and behaviour motivated by engagement. Further research (beyond the scope of this project) is needed to clarify this distinction and determine if an incentive-based reward structure is an effective engagement strategy or serves to generate similar behaviour.

A theme not included in the proposed model, but which was raised during the interviews, was that of customer focus. As Walkabout was primarily a retail-based organisation, the need to maintain good customer satisfaction was essential. Providing employees with support to deliver this was an important theme, and therefore included in the engagement model.

Theme Eleven: Customer Focus

The theme of customer focus referred to the support provided to employees to meet their work targets. Whether employees were serving customers or other clients in the form of employees from other departments, everyone at Walkabout had a customer. Customer focus was an important theme for a retail-based company, as satisfied customers translated into company profits. The service profit chain mentioned in chapter two positioned engagement as an important link ensuring customers' needs were met (see Heskett et al., 1997; Heskett et al., 1994). Customer focus at Walkabout was supported through philosophy two, which emphasised the need to exceed customer expectations. The theme of customer focus was summarised by three main points: the need to support retail staff by providing adequate job resources, the need to directly reward employees for demonstrating good customer care, and providing employees with a product they believed in.

The first main point for customer focus directly related to Schaufeli and Bakers JD – R model of engagement (2004), whereby adequate job resources not only served to minimise burnout, but increase engagement. For the Walkabout case, this concerned the provision of efficient work systems added by updated technology and the automation of work processes. As noted in chapter four, the company was in the process of streamlining work systems for retail staff to create more efficiency (part of the Full Throttle strategy), giving consultants more time to serve customers. Theoretically, this would allow the travel consultant more time to provide the transformational qualities required for customer satisfaction. However, at the time of data collection, the systems upgrade had not been completed and interviewees noted the lack of time to serve customers as an ongoing issue (Interviewee SS, 2004, para 195, interviewee BQ, 2004, para 190). One former retail consultant described his experience of trying to deal with the constant demands of customers:

There's never time to sit down and do something properly, thoroughly.

There's just stuff happening constantly. Johnsons are on the phone, this is happening, you know you get an e-mail saying change this... it's all part and parcel of the job which I found now but there was yeah a lot, a lot of ill-feeling with just the volume because it's really intense volume.... I know I'm good at customer service but I'm not that good. I can help people, you know help people a lot for specific things but when you have got thirty of them thrown at you at once (interviewee FF, 2004, para 350).

Supporting employees to fulfil their work roles, such as providing exceptional customer service, was an important part of maintaining engagement, as it helped to elevate work stress and provide the tools necessary for employees to achieve their work targets.

The second main point for customer focus was concerned with rewarding employees for providing exceptional customer service. Interviewees said this was an issue, as customer service was not directly linked to employees' KPI's. A subject matter expert expressed her concern about this:

I just think we sometimes are too focused on making the sale and not focused enough on caring for the customer and if we really wanted to be the best we could we would manage both of those. And sometimes looking after the customer is compromised by making the sale. So we need to have a way to shift some KPI's to get the consultants to worry about both (interviewee BQ, 2004, para 130).

Gallup researchers (Coffman & Gonzalez-Molina, 2002) noted the importance of caring for customers, arguing that as with engagement, customer satisfaction required a certain level of emotional exchange. If a sale was made purely for its transactional value and little emotional exchange took place in the form of customer care, according to Coffman et al. (2002), customer loyalty and satisfaction were likely to be compromised. As mentioned by interviewee BQ above, rewarding employees for developing a loyal customer base may help consultants focus on the transformational aspects of their work, creating more meaning and consequently, more engagement.

The third main point for customer focus was providing a product which employees believed in. Not only did this help communicate to the customer the value and quality of the product, but it also served to provide employees with a sense of meaning. A subject matter expert explained how she felt about the product the company sold, and how that was very engaging for her:

I guess I've always felt inspired that there was, you know that there was some real purpose to what we were doing. Um so that you had an opportunity to make a difference and that sounds kind of corny but our purpose statement is to "open up the world for those who want to see". And I guess I've always felt that that is true um in the sense that what we sell is an important product, which is very ideological but you know it's one thing to see washing machines but to sell travel, you do get an opportunity as a travel consultant to see people, see your customers have life changing moments and that's very satisfying. So I guess at that initial level I was engaged by that. That you know you see people, you go through a process of working their dream holiday out and then you see them come back and they were different people, they had seen some of the world and you could see they had changed and that engaged, that certainly engaged me as a consultant, it was very rewarding (interviewee SS, 2004, para 286).

Hiring employees who were interested in travel, many of whom had traveled extensively, helped maintain a certain level of passion and excitement about the product. The company organised regular travel education nights, as well as opportunities for staff to travel and learn about new products, both of which assisted in supporting employees with the education and inspiration to sell the product on offer.

In summary, supporting employees to deliver exceptional customer service was particularly important to Walkabout as a retail-based organisation. Providing this support helped employees feel engaged. As with any type of job, employees needed adequate job resources to achieve work targets while at the same time, minimising unnecessary stress created by resource shortages (Schaufeli & Bakker, 2004). By supporting employees to deliver exceptional customer service by providing adequate

resources in the form of efficient work systems and technology, employees were able to provide the transformational, as well as transactional, aspects of a sale. This type of exchange was more likely to be more satisfying and meaningful for both the customer and the employee. As one interviewee explained, happy customers helped to create engaged employees, and visa versa (interviewee FF, 2004, para 194).

The last theme identified in the employee interviewee process was the concept of continuation – whether employees viewed their relationship with Walkabout as long term or not. This was another theme not included in the proposed model, but was noted as important by Walkabout employees.

Theme twelve: Continuation

Continuation referred to an employee's desire to remain with the organisation a feeling influenced by experiencing positive work challenges, and having access to a career path that met employees' personal goals and desires. The continuation theme was similar to the "stay" aspect of Hewitt's engagement model which was defined as "employees [who] have an intense desire to be part of the organisation, rather than another (Hewitt Associates, 2004a). However, for Walkabout employees, continuation was more complex than just having the desire to remain with the organisation, it involved feeling appropriately challenged by their work role and having the knowledge that a career path within the organisation was not only possible, but that it would allow them to develop themselves both professionally and personally. The theme of continuation was summarised by a cultural concept termed "brightness of future" (philosophy six). This concept was co created by the employee and their immediate manager (and, sometimes, their area leader). Taking this into consideration, the theme of continuation was summarised into two main points: the attraction and need for employees to have brightness of future, and the desire to growth both professionally and personally through their experience at Walkabout.

The first main point brightness of future, was a very attractive concept to the type of employees Walkabout tended to hire. The Walkabout work environment suited employees who were prepared to work hard and were driven by the desire to progress rapidly up the corporate ladder. This served to not only attract and engage employees, but it also functioned as an effective retention strategy. One subject matter expert explained why she thought employees came back to work for Walkabout:

Amazing opportunity. Without a doubt. So I believe that's what is really fantastic about Walkabout. When I was a team leader I employed a guy who wasn't a great consultant however, he was our national marketing manager within Walkabout within 18 months. Huge break. I tell that story to a lot of people and they sit there going yeah brightness of future you get that in any company. Not as fast as you can get it in Walkabout.... And the brightness of future definitely, all that wrapped in is defiantly why people come back (interviewee HH, 2004, para 214).

Stories of rapid career ascent were prolific and often talked of with a sense of excitement and amusement during interviews. The second main point, personal and professional growth, was an outcome of these numerous and challenging work opportunities. A subject matter expert who had began her career with Walkabout 15 years ago, described how she thrived on the professional and personal challenges she was exposed to through her rapid career ascent:

Walkabout is so dynamic and so fluid. Um, you'll be challenged personally a lot and a lot of my growth has come from experiences in Walkabout where I've been absolutely pushed to the limit and I have to decide will I continue to

take it on and break through or will I pull back and cave. You know, it is an environment that does that.... I think because we are quite fast paced and growing, people sign on for that and next thing find themselves pushed to limit trying to do something that they never anticipated they had the ability to do. Um, you know and I look at myself, if you ask a question like that, I look at myself and think when I was nineteen there was no way I could have even imagined I would have been a Team Leader, let alone EGM (Australian director). So I would never have entered this organisation thinking I've got the capacity to be you know EGM of Australia, um, but the organisation has created me or allowed me to create myself (interviewee BC, 2004, para 208).

To fully understand their brightness of future within Walkabout, employees required the support of their immediate manager. It was the immediate manager's role (with the assistance of their area leader) to work with each team member to map out and maintain a career vision for them to work towards. For those new to the company who perhaps did not fully appreciate the opportunities available to them, heavy workloads clouded the personal vision required to maintain a brightness of future. A subject matter expert explains that when managers failed to develop a strong brightness of future with new employees, they can become disillusioned, and possibly disengaged:

Everyone is inducted into the Walkabout culture and walk out into the traps thinking this is the best company. However, if they go into a store where a leader is not emotionally engaged nor do they embrace the culture and philosophies, then all that good work goes out the window and there is the propensity to become disillusioned. And I think that that's a big problem that happened in Students [a retail branch]. And that's what also happened again

in Walkabout [a retail branch] where the managers neither manage nor lead. They are being told all these wonderful things and then they get in there and they don't see a brightness of future. They are not developed professionally or personally. And that is where people do become a bit disillusioned (interviewee HS, 2004, para 163).

To summarise, the sense of continuation was an important engagement theme, as it referred to the employee's vision of how they viewed their future with the company and whether they perceived that their professional and personal goals could be met through a career path at Walkabout. Those fuelled by challenge could progress rapidly up the career ladder and be financially rewarded along the way. Although not always successful, Walkabout did endeavour to provide a brightness of future for every employee, acknowledging that this not only helped the organisation attract, engage and retain employees, but it also enriched the lives of its current employees. This concept was supported from the CEO down, as explained by a subject matter expert:

The [CEO] has often spoken about anybody coming into the company we would like to see them leave the company better off. Whether that's financially, whether that's through personal growth, whether it's through the learning experiences they have had, whether it's you know the friends they've made but the definite focus is that people coming into the company leave it with you know having had something that has enriched them (Interviewee DI, 2004, para 176).

Many of the engagement themes collected via the qualitative data were similar to variables included in the models reviewed in chapter two. The variety of themes

discussed by Walkabout employees was representative of complexity of the engagement construct. In addition, the Walkabout organisation, via the combination of engagement themes discussed, was noted for its emphasis on engaging its employees by helping to feel valued, supported and cared for. This was mentioned in the literature, but no particular case was reported to create engagement this way.

What did Walkabout do Differently?

When viewing the content of the engagement themes, it was evident that Walkabout made a concerted effort to help its employees feel valued, supported, and cared for. Walkabout achieved this through encouraging transformational leadership, providing frequent social events for teams and areas, rewarding employees for contributing to the company's success, and providing numerous mechanisms for professional and personal growth. Maintaining a strong culture, Walkabout fostered a work environment where employees worked with others they could relate to, have fun with, and with whom they shared similar values. This engendered feelings of belonging, loyalty, and engagement. Employees who experienced a good cultural fit with the organisation became part of the Walkabout "family," and the emotional bonds formed from this membership intensified the engagement relationship.

Applying the Twelve Engagement Themes

As a result of the qualitative analysis, twelve main themes were established, two themes related to the engagement definition and relationship, and ten themes related to engagement drivers. When reflecting on the proposed engagement model presented in chapter two (figure 2.7), many of the original drivers presented in the model were raised as themes in the qualitative data. This implied that engagement themes raised by Walkabout employees were reflective of other models presented, suggesting a degree of reliability in the themes identified. Essentially, four themes

(drivers) remained the same, three were either amended or combined, and three themes (drivers) were added. Table 5.2 provides a summary of the changes made.

Table 5.2

Changes made to the proposed drivers

<i>Original model</i>	<i>Revised model</i>	<i>Same/Amended / added/combined</i>
Senior leadership	Senior leadership	Same
Team leadership	Team leadership	Same
Co-worker relations, & Communication	Community	Amended / combined
Not included	Employee Empowerment	Added
Opportunities	Opportunities	Same
Job resources, Workload	Work experience	Combined
Values	Values	Same
Rewards & recognition	Rewards & recognition	Amended
Not included	Customer focus	Added
Not included	Continuation	Added

The engagement themes outlined above functioned as drivers according to those interviewed at Walkabout. Interviewees suggested that the effective management of these drivers served to generate and maintain engagement at Walkabout. Therefore, these themes were used to replace the proposed drivers in the original engagement model (figure 2.7), serving to increase the model's relevance to Walkabout and increase the model's validity. Figure 5.1 compares the proposed drivers with the revised drivers which were amended as a result of the qualitative analysis described.

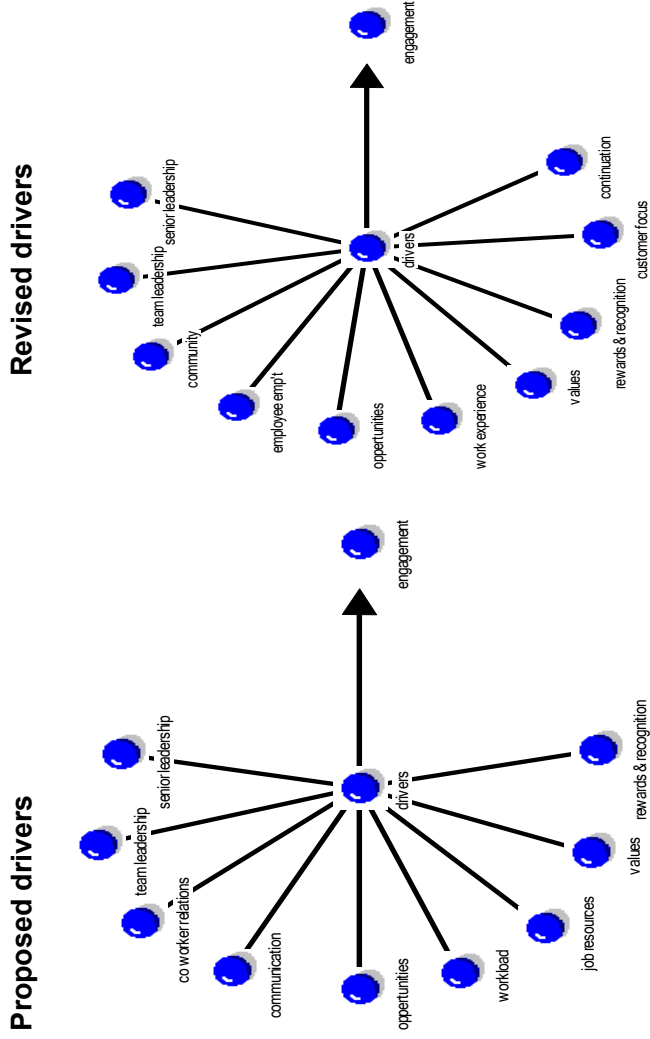


Figure 5.1 The proposed and revised engagement themes / drivers

These diagrams represent the first half of the engagement model, which includes the engagement drivers (themes) and the engagement construct. This portion of the model also represents the proposed survey structure which was developed and tested in project two. The second half of the model, the engagement outcomes, was the same for the proposed and revised models and are therefore not repeated here. The outcomes portion of the model was tested in project three.

Engagement Theory Development

The qualitative data did support the original theory used to explain the engagement model proposed in chapter two (figure 2.7): that of Schaufeli and Bakker's (2004) motivational / energetic theory. Engagement drivers were seen either to motivate and engage employees by providing adequate job resources or exhaust, or disengage employees through excessive job demands.

In terms of the motivational process, drivers that included job resources and which fostered intrinsic motivation and fulfilled basic human needs such as autonomy (e.g. having a sense of control over ones work), competency (e.g. receiving adequate feedback on job performance), and relatedness (e.g. feeling a sense of belonging) needed to be present in adequate quantities for employees at Walkabout to feel engaged. In addition, job resources that maintained extrinsic motivation (e.g. efficient work systems, cooperative colleagues, supportive leaders, and rewards for achievements) needed to be present in adequate quantities for employees to feel engaged and deliver on pre determined work goals.

In terms of job demands, drivers that included job demands (such as work experience and customer focus) needed to be maintained at a sustainable level. If this level was exceeded, for example with long work hours or not enough time to fulfil customers expectations, some employees became exhausted and left the organisation.

Although other theory explanations of engagement could be applied to the Walkabout case, such as Saks (2006) commentary on social exchange theory and engagement, or Maslach and Leiter's (1999) concept of personal – organisation match and engagement, the motivation / energetic process proposed by Schaufeli and Bakker (2004) was regarded as the most appropriate as it could explain both the high staff turnover (through burnout) and high engagement. Working at Walkabout was reported as an intense experience which involved high expectations from the organisation, coupled with the opportunity to receive high rewards. Those that perceived their workloads as unsustainable and did not receive enough support in obtaining their work goals became exhausted, disengaged and left the organisation. While those that managed to meet expected targets, perceived the support mechanisms as adequate, were acknowledged and rewarded, and thrived in this challenging environment.

Chapter Summary: Main Findings

The findings relevant to the research questions addressed in this chapter were as follows:

- A working definition of engagement was identified and defined.
- Twelve engagement themes were identified: an engagement definition, the engagement relationship and ten engagement drivers – senior leadership, team leadership, community, opportunities, values, rewards and recognition, customer focus, continuation, employee empowerment, and work experience.
- A strategy that Walkabout used to maintain engagement, which was considered a point of difference, was its ‘people’ focus, helping employees feel valued, supported, and cared for.
- The proposed engagement model was similar to the way Walkabout employees viewed engagement with four proposed themes (drivers) remaining the same, three themes (drivers) either amended or combined, and three themes (drivers) added.

Project two: chapter six describes how this qualitative material was used to inform the development of an engagement survey. Using statistical analysis, discrete variables which served as sub constructs to engagement were identified and an engagement survey (including a measure for engagement and its drivers) was established.

CHAPTER SIX: PROJECT TWO: SURVEY DEVELOPMENT AND ENGAGEMENT

CONSTRUCT CLARIFICATION

This chapter explains how the engagement survey was developed and tested.

The conceptual structure of the survey (represented in the proposed engagement model, figure 2.7) was initially derived from the literature, and then made relevant to the Walkabout case by collecting qualitative data from the organisation. This qualitative data was categorised via theme analysis to determine the 12 main engagement themes (see table 5.1). Survey items were then generated under these 12 themes. Chapter six explains the process by which the items were generated, then refined through a pilot study and an expert panel review, and finally administered to Walkabout employees. Exploratory factor analysis was conducted subsequently to confirm the underlying survey structure and relevant survey items (for engagement and related drivers). The following chapter (seven), project three, outlines how the survey structure was confirmed and establishes the survey's validity.

Outputs of this current chapter include a validated engagement survey (which measures engagement and its drivers), clarification on the engagement nomological network, and indications of the effect of selected demographic variables on engagement.

On the way to developing the overall engagement survey, the following hypotheses were addressed:

1. That engagement is a multi dimensional construct composing of emotional, behavioural, and intellectual components.
2. That the 10 drivers proposed in project one (senior leadership, team leadership, community, opportunities, employee empowerment, work experience, values, continuation, rewards and recognition, customer focus), are the main engagement drivers for Walkabout employees.

3. That organisational commitment is closely related to engagement, but the two are discrete variables.
 - a. That affective commitment is the form of commitment most closely related to engagement (as opposed to normative commitment and continuance commitment).
4. That senior leadership has a stronger relationship with engagement than team leadership.
5. That engagement increases with age, and that the highest levels of engagement at Walkabout are for the baby boomer age group (between 41 and 56 years of age³⁷).
6. That engagement decreases with tenure with the highest levels of engagement reported for those employed less than three months.
7. That engagement increases with the level of authority with those in the most senior positions reporting the highest levels of engagement.

Developing the Engagement Survey

The survey development and validation process was divided into five steps, as recommended by Hinkin (1998). These included item generation, survey administration, initial item reduction, confirmatory factor analysis, and convergent / discriminant validity. Hinkin recommended a sixth step, which included the factor analysis of survey results from another population as a way of confirming survey reliability; however, that process was beyond the time scope of this project. Project two (this chapter) addressed the first three steps, and project three (chapter seven) addressed steps four and five.

³⁷ 56 years of age was the oldest employee surveyed.

Step One: Item Generation

Survey items were generated using a deductive approach (Hinkin, 1998). Initial categories (themes) were derived from the literature and incorporated into the proposed engagement model as engagement drivers (see figure 2.7). These drivers were then refined based on the 12 themes identified in project one. The 12 themes, along with their associated variables, were used as a guide for writing the survey items (see table 5.1 for a list of the themes and their variables). Initially, 216 items were generated. Care was taken when writing each item to avoid unnecessary negatives, double barrelled questions, leading or loaded questions, miss-placed modifiers, unclear question purpose, and exclusive language (Groves et al., 2004; Page & Meyer, 2000; Whitley, 2002). An initial item reduction was carried out by the Researcher based on face validity (Page & Meyer, 2000), item clarity, conciseness, and redundancy (DeVellis, 2003). Of the original 216 items, 160 remained (these did not include demographic questions), which were used in the pilot test.

Pilot test and survey revision.

The pilot test was administered to 43 Walkabout employees to check that items were relevant and easily understood by the target population (Page & Meyer, 2000; Whitley, 2002). Participants were a mixture of employees from head office (support division) and from retail stores (retail division). It was important to include both sets of employees as the nature of their work varied and survey items needed to be relevant to administrative and retail positions. Participants were opportunistically selected by the company liaison. Surveys were distributed to retail employees taking part in training sessions, and as well as to head office employees who were approached directly. A cover letter accompanied the pilot test explaining the survey development process. It invited employees to answer the 160 items and provide comments relating to item clarity / ambiguity and relevance. To ensure

anonymity, pilot test participants were instructed to return surveys in a sealed envelop to the company liaison. The liaison then forwarded them on to the Researcher. A total of 43 surveys were returned, exceeding Page and Meyer's (2000) recommend minimum of 12 participants for a pilot test.

Two questionnaire responses were discarded, one for having more than 20 items unanswered, and the other was considered not relevant as the employee had only been with the company two weeks. Comments from the 41 pilot tests were reviewed resulting in three items being reworded due to item ambiguity and poor wording, as well as four items being deleted because of perceived repetition. The survey length was still considered too long to administer; therefore, internal reliability checks using correlations and Cronbach Alpha values were used to refine the item list. Ideally the sample size for internal reliability analysis and preliminary factor analysis would have been larger; Tabachnick and Fidell (2001) recommend a minimum of 300 cases and Pallant (2005) recommended at least 150 cases, but some type of refinement was needed. Items showing high overlap (correlation value of .7 or higher), low sub scale relevance (correlation value of .4 or under), or no contribution to the Cronbach Alpha of that sub scale, were deleted (Oreg, 2003; Whitley, 2002). This process eliminated 54 items, leaving 106 items. As a further refinement, a preliminary factor analysis was performed. Items which overlapped on four or more categories were either reworded or deleted. Ninety four items remained, with 91% of the total variance explained by 21 factors reporting an Eigen value over 1.

Content validity assessment: Expert panel review.

In a further exercise to maximise content validity and reduce the number of survey items, the 94 remaining items were reviewed by 13 subject matter experts. Of the 13 subject matter experts, 4 were females and 9 were males, and were from

either academia or industry. They were selected based on their experience in management and human resources. Managerial experience ranged between 5 and 37 years, and academic experience ranged between 8 and 20 years. The review was based on a format recommended by DeVellis (2003), whereby panel reviewers were asked to rank each item as high, medium, or low relevance to its respective subscale definition. Reviewers were also asked to critique items for clarity, as well as add or remove items or categories as they judged necessary. The reviewers' comments on content and item wording were considered and applied to the survey (Groves et al., 2004; Hinkin, 1998; Page & Meyer, 2000). Overall, the feedback was helpful in framing items in a practical and actionable way. A further 14 items were deleted and 14 items were reworded, leaving a final survey of 80 items, not including 9 demographic items. These final reductions contributed to scale parsimony and content validity, ensuring that items appeared relevant and were worded in a clear and logical way.

Step Two: Questionnaire Administration

In order to maximise the response rate of completed surveys, the survey format used in the pilot test was examined and revised before administration.

Survey Format

Whitley (2002) suggested that a Likert survey format was the most appropriate for hypothetical constructs such as engagement. Therefore, a five point Likert scale was used ranging from completely agree (1) to completely disagree (5), as Hinkin (1985) considered a five point response range optimal for factor analysis³⁸. A more comprehensive seven point scale was considered as it would increase

³⁸ The coefficient alpha reliability with Likert scales has been reported to increase up to a five point scale but after that it levels off (see Lissitz & Green, 1975).

variability (DeVellis, 2003), but the risk of contributing to survey fatigue was considered high. An odd numbered scale was chosen for two reasons: firstly, so that a middle option was available for those participants who were ambiguous or undecided (Groves et al., 2004), and secondly, so that a middle group could be detected (responses of 3/5), as engagement literature suggested that this middle group were the most responsive to engagement enhancing strategies (Coffman & Gonzalez-Molina, 2002). The inclusion of negatively worded items was considered (see Price & Mueller, 1986, cited in Hinkin, 1998). However, as positive language was more culturally acceptable to Walkabout employees, items were written in a positive frame except where it compromised item clarity such as “my values clash with some of the things required of me at work”. Careful attention was paid to these items during factor analysis ensuring they did not report response inconsistencies (Hinkin, 1998). The question sequencing was changed from the pilot test as those on the expert panel suggested a more “user – friendly” version, which started with easy-to-answer questions and increased in complexity as the survey progressed. Items that related to specific subjects, such as the team leader or senior leadership were listed together as a way of reducing confusion, otherwise items were generally mixed. Demographic items were placed at the end of the test battery (Whitley, 2002).

Participants.

According to Dillman (2000) the number of respondents needed for a target population of 4000 (the number of Walkabout employees in Australia), at the 95% confidence level, was 351. E-mails were sent out to all Australian Walkabout employees, inviting them to participate. In total 419 surveys were returned. Nine cases were removed before analysis, as these participants had failed to complete the newly designed engagement survey, leaving a total sample of 410 participants.

Method.

Surveys were administered online using the survey program Zoomerang (Zoomerang, 2006). As a web based survey tool, Zoomerang allowed the Researcher direct control over survey management and downloading of data. It also provided additional anonymity for participants, as responses went directly to the Researcher (Whitley, 2002). An online survey response was considered most appropriate, as all employees had computer terminals, they were familiar with filling out online surveys, and it was the most time and cost effective way to reach staff from geographically diverse locations (Dillman, 2000; Groves et al., 2004; Whitley, 2002). Response duplication was considered an issue, but Walkabout management did not anticipate this occurring, as employees were generally very busy and had little time to fill out surveys and were unlikely to respond twice or more.

An initial invitation to participate was sent to all Walkabout employees via the company's intranet system, which included a link to the Zoomerang survey cite. See appendix D for a copy of the suggested letter of invitation (final wording was left to Walkabout senior management who sent out the letter). Before participants entered the survey site they were presented with an explanatory statement with project purpose details, confidentiality details, contact details of the Researcher, and details of complaints procedures. See appendix E for a copy of this statement. A follow up e-mail was sent two weeks later by Walkabout's head of human resources to encourage further participation. Additional prompt e-mails were considered desirable (Groves et al., 2004), and a letter was drafted by the Researcher but it could not be sent due to Walkabout's scheduling. A total of 332 surveys were collected via the internet. In order to reach the desired 351 response rate, the Researcher approached 36 retail stores located in Sydney³⁹, Northern New South Wales, the Gold Coast and Brisbane. In addition, head office employees were directly

³⁹ Retail stores in Sydney were approached by a colleague of the Researcher.

approached outside their office buildings. After handing out 224 surveys, an additional 87 surveys were collected giving a total of 419 returned surveys.

Survey response rates were a concern, as the most recent internal employee satisfaction survey administered three months prior received a response rate of 36% (personal conversation, GT, Walkabout survey administrator, 25th January, 2006). In addition, the most recent Hewitt engagement survey had received a response rate of 14%⁴⁰ (Hewitt Associates, 2005b). Three measures were taken to help alleviate this issue. Firstly, a letter endorsed by a senior manager was e-mailed to all prospective participants explaining the research and encouraging participation before the survey was sent out. Secondly, incentives were donated by the Researcher (travel prizes worth \$850), and Walkabout (5 massages) to encourage participation. Thirdly, survey length was kept to a minimum.

Analysis of survey results.

To assist in the analysis process the data were first checked for errors and formatted. Of the 410 survey responses (419 less 9 incomplete engagement surveys), 392 completed the full test battery; 321 via the internet, and 71 in hard copy format. A full data set was considered desirable⁴¹ (exclude cases listwise option was used in analysis), removing a further 18 incomplete cases, leaving 392 for the analysis. The overall response rate was calculated at approximately 10% of the total sample population which was considered acceptable according to Dillman (2000).

As expected all variables were positively skewed - a common occurrence in social science, as it reflected the underlying positive nature of the construct (Pallant, 2005). For Walkabout employees, a positive engagement score was expected and transformations were considered unnecessary.

⁴⁰ For the 2005 survey n = 283. The percentage was calculated on 4000 employees

⁴¹ Exclude cases listwise and pairwise were compared and listwise produced more consistent results with clearer factor structures.

The sample appeared to be representative of the target population with the majority of respondents being female (76%), full time employees (91%) holding team member positions (75%) with an average age of 30 years. At the divisional unit of analysis, sample spread was satisfactory, with 11% of the respondents originating from the corporate division, 41% from the retail division, and 42% from the support division (6% were unspecified). See appendix F for further demographic details.

Step Three: Initial Item Reduction – Exploratory Factor Analysis

Exploratory factor analysis was conducted to simplify the survey structure, remove unnecessary items, and identify underlying engagement factors (Pallant, 2005).

Assumptions.

When using Listwise to conduct exploratory factor analysis, the current sample of 392 was considered adequate based on Dillman's (2000) 351 minimum for a population of 4000. An initial inspection of the correlation matrix reported that many of the items were correlated (above .3) with a Kaiser – Meyer – Oklin value of .95, exceeding the recommended value of .6 (Tabachnick & Fidell, 2001) and Bartlett's test of Sphericity (Bartlett, 1954), reaching statistical significance, supporting the factorability of the correlation matrix.

Exploratory Factor Analysis: Key Driver Identification

Exploratory factor analysis of all 80 items was used to determine the underlying structure of engagement (Tabachnick & Fidell, 2001). Principal axis factoring and direct oblimin rotation were used due to the theoretical relationships between the identified themes and anticipated factors (Fabrigar, Wegner, MacCallum,

& Strahan, 1999). In an initial rotation, before further analyses, 13 factors were extracted with Eigen values above 1.0.

Part one: The Engagement Scale

From the initial rotation, which produced 13 factors, one factor contained eight items similar to those used to measure engagement in the surveys reviewed in chapter two. These items were removed from the data set, forming an initial engagement scale. To ensure that the engagement scale was as concise as possible, the factor loadings of the eight engagement items were reviewed and all items with a loading less than 0.4 were removed. The remaining five items formed a short version engagement scale. The eight item and five item scales were highly correlated ($r = .97$). In addition, each scale reported similar correlation strengths to the other test battery surveys: The Three Component Model of Commitment; revised version (Meyer & Allen, 2004; Meyer et al., 1993), The Utrecht Work Engagement scale, short form (UWES) (Schaufeli & Bakker, 2003), and the Organisational Commitment Scale (Cook & Wall, 1980).

Table 6.1

Correlations between test battery scales and two versions of the engagement scale

Engagement Scales		Test battery Scales	
Engage 5	Engage 8	Meyer	Schaufeli Cook
Engage 8	.97		
Meyer	.59**	.60**	
Schaufeli	.60**	.66**	.51**
Cook	.75**	.78**	.64** .70**

N values range between 399 – 403. ** Correlation significant at 0.01 level. Meyer = three component model of commitment scale, Schaufeli = the UWES, Cook = the organisational commitment scale.

Based on these statistics, the two scales were considered comparable and the five item version was chosen as the final engagement scale. The five item engagement scale included the following items:

1. I believe in Walkabout's values (philosophies).
2. Walkabout's values (philosophies) are a good match with my own personal values.
3. I care about Walkabout's long term success.
4. I am personally motivated to help Walkabout succeed.
5. I fully support Walkabout's goals and objectives.

Note: for future survey use, "Walkabout" would be replaced by the name of the organisation being surveyed.

These items were congruent with the working definition of engagement extracted from the qualitative material in project one, confirming the working definition as valid. The definition was:

Engagement is the extent to which employees identify with their organisation; its people, values, purpose, and culture. Engagement is concerned with the level of emotional connection employees feel toward their organisation; the passion and enthusiasm they feel, and their motivation towards supporting the company's goals.

In terms of engagement being a multi dimensional construct, both the eight item scale and the five item scale were factor analysed. Neither solution rotated, with all items loading in both cases onto just one factor. The original hypothesis that engagement was a multi dimensional construct was not supported according to the scale that was developed and used here. According to Walkabout employees,

engagement was a uni dimensional construct and did not compose of separate sub factors such as emotional, intellectual and behavioural engagement.

Engagement scores.

The average engagement score for the total sample was 10.3 out of a possible 25⁴². Divisional means and standard deviations are shown in figure 6.2.

Table 6.2

Mean and standard deviation scores for engagement across company divisions

<i>Division</i>	<i>Mean</i>	<i>Standard deviation</i>
Corporate	10.07	3.82
Retail	10.53	2.91
Support	10.19	3.06
Total	10.33	3.09

When comparing engagement scores across company divisions (1 = corporate, 2 = support, and 3 = retail) using one-way between groups analysis of variance, results indicated no significant difference between the divisional groups at the $p < .05$ level for engagement scores [$F(2, 378) = .70, \eta^2 = .00, p = .5$].

Demographic Variables and Engagement

For details concerning engagement scores according to demographic variables, see appendix G.

⁴² A score of 1 is the highest possible score of engagement, and a score of 25 is the lowest possible score of engagement.

Age and engagement.

To explore the relationship between age (years) and engagement measured by the five item engagement scale, a Pearson product-moment correlation was performed. A medium negative correlation was reported with $r = -.43$ (Cohen, 1988), which supported the hypothesis that not only did engagement increase with age, but those employees from the baby boomer generation reported the highest levels of engagement. To determine if there was any significant difference in average engagement scores between generational groups (1 = 19 – 25 years, 2 = 26 - 40 years, 3 = over 41 years), a one-way between groups analysis of variance was performed. No significant difference between generational groups was reported at the $p < .05$ level [$F(2, 373) = .18, \eta^2 = .00, p = .84$] (see figure 6.1). Generally speaking, engagement did increase with age (see figure 6.1), but when the data is categorised into generational groups, engagement did not increase significantly between those groups.

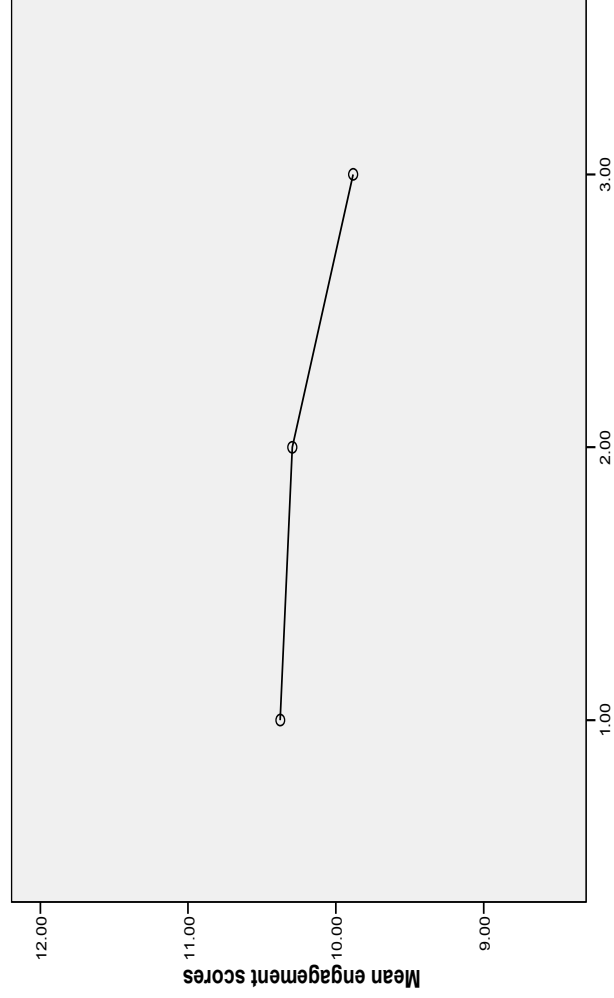


Figure 6.1 Mean engagement scores across generational groups. 1 = generation X, 2 = generation Y, 3 = baby boomers. Note: low mean values represent high engagement.

Tenure and engagement.

To investigate the relationship between tenure and engagement measured by the five item engagement scale, a Pearson product-moment correlation was calculated. A weak, insignificant relationship between tenure and engagement was identified. However, when comparing the mean values for tenure categories (1>3 months, 2 = between 2-6 months, 3 = between 6 – 12 months, 4 = between 12 – 18 months, 5 = between 18 – 24 months, 6 = between 2 – 3 years, 7 = between 3 – 5 years, 8 = between 5 – 10 years, 9 = >10 years), a cure linear relationship looked apparent. On further investigation using one-way between groups analysis of variance, a significant difference between the means was reported [F8, 382], = .3.47, $\eta^2 = .07$, $p = .0$]. The effect size, calculated using Eta squared, was considered moderate (Cohen, 1988). Post hoc comparisons using the Tukey HSD test indicated that the mean score for those employed for less than three months (M = 9.16, SD = 2.64) was significantly different from those employed between 18 and 24 months (M = 11.17, SD = 3.82). Those employed between 18 and 24 months also reported a significant difference from those employed between 3 and 5 years (M = 9.77, SD = 2.08), and greater than 10 years (M = 8.92, SD = 2.81). The hypothesis that engagement scores would decrease with tenure was rejected, as employees who had been with the organisation for 10 years or more reported the highest levels of engagement. However, employees who had been with the organisation less than three months reported the second highest engagement scores. Engagement was high for new recruits and long term employees, and generally dropped off for those groups in between as illustrated in figure 6.2.

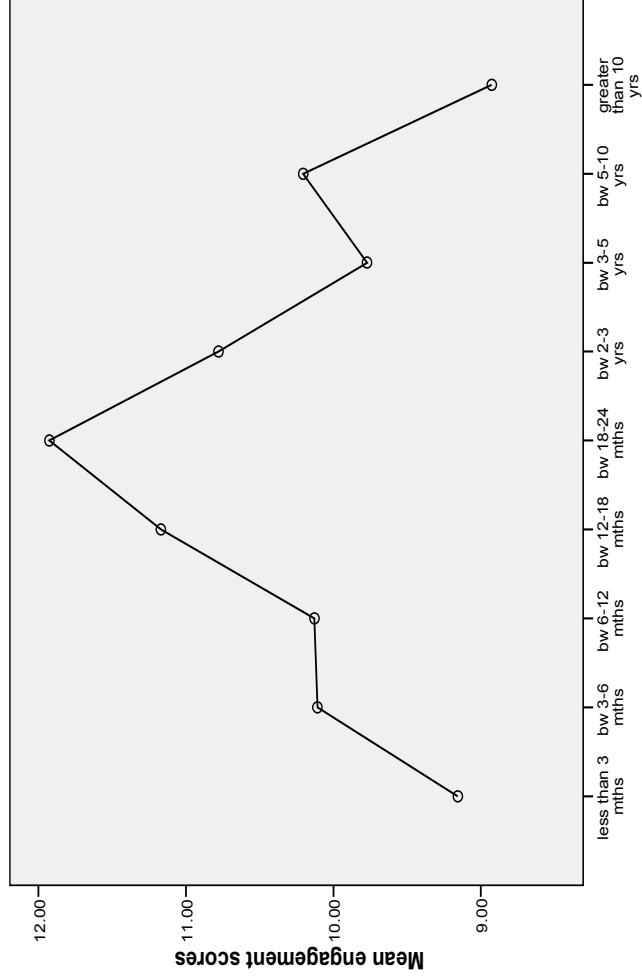


Figure 6.2 Mean engagement scores across tenure categories. Note: low mean values represent high engagement.

Position level and engagement.

To investigate the relationship between position level and engagement measured by the five item engagement scale, a Pearson product-moment correlation was performed. A significant negative correlation was reported ($r = -.112$, $p = .05$). However, on further investigation using one-way between groups analysis of variance, a non significant result was reported [$F(3, 388) = 1.79$, $p = .15$], which rejected the hypothesis that as the level of authority increased, so too would engagement. Essentially the relationship was non linear, with team member positions reporting the lowest engagement scores, followed by the most senior employees in the regional or global leaders group. Employees in team leader positions, area and nation leader positions reported the highest engagement scores, suggesting that variables other than position level were affecting engagement scores.

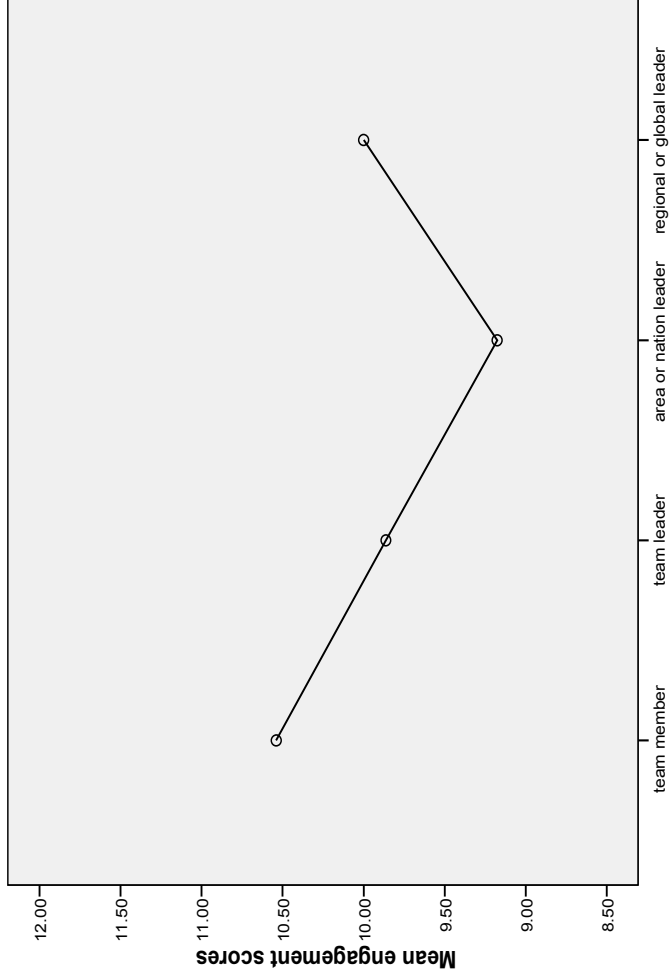


Figure 6.3 Mean engagement scores across position levels. Note: low mean values represent high engagement.

Interaction effects between age, tenure, and position.

To test whether there was an interaction effect between position, age, and tenure in terms of engagement scores, a two-way between groups analysis of variance was conducted. No significant interaction effects were reported. Results indicate that, combined, age, tenure and position do not have a significant effect on engagement scores. See appendix H for the statistics detailing all interaction and main effects. Based on the findings of previous research that engagement has a positive effect staff retention (Buchanan, 2004; Frank et al., 2004; Jamrog, 2004; Kaye & Jordan - Evans, 2003), results of the current study indicate that the high staff turnover rates for new employees are being affected by variables other than engagement, and that age, tenure, and position are unlikely contributors to the high

staff turnover rates. A longitudinal study measuring staff retention is needed to verify this conclusion.

Part Two: The Drivers Scale

Once the engagement scale had been confirmed, the key engagement drivers (factors) needed to be identified to complete the engagement survey. In preparation for additional factor analysis, numerous items were removed from the data set so that those items remaining were the most conceptually relevant and loaded clearly during the factor rotation. Items with split loadings, showed high overlap, had a loading value below .4, or were loading in a conceptually unclear manner, were removed. Fifty four items remained in the data set. To determine the number of factors to retain, three analyses were consulted: Kaiser's criterion suggested 8 factors, the scree plot suggested 4 factors, and parallel analysis suggested 10 factors. See appendix I for details on Kaiser's criterion, parallel analysis, and scree plot. With such a wide spread of recommended factor numbers, factor analysis was run on each variation, pre selecting the number of factors between 4 and 10 inclusive. An eight factor solution was the lowest number of factors within a rotation that displayed clear factor loadings that were conceptually defensible. Subsequently an eight factor structure was chosen.

The eight factor structure explained 63% of the variance. The Kaiser – Meyer – Oklin value was .95, and Bartlett's test of Sphericity was significant at .00. See appendix J for details on the pattern matrix and the structure matrix, and appendix K for the engagement survey. The drivers (factors) were defined as shown in table 6.3.

Table 6.3

Driver definitions

<i>Factor (driver)</i>	<i>Conceptual definition</i>
Senior leadership Factor one	People centred company leadership that demonstrates care and concern for employees considers their interests and opinions, as well as engenders faith and trust in their ability to run the company successfully and with integrity
Team leadership Factor two	People centred team leadership that is primarily collaborative, which includes being receptive to employees' inputs while providing sufficient feedback, guidance and coaching for team members to be successful in their work
Work demands Factor three	A reasonable and sustainable workload that allows for an appropriate balance between work responsibilities and personal commitments
Continuation Factor four	An employee's desire to remain with the organisation reinforced by the experience of positive work challenges and access to a career path that meets their personal goals and desires
Customer focus Factor five	The company's support for delivering quality customer service evident in its policies, procedures, resources, and communication
Work support Factor six	Adequate and ongoing support via training and interdepartmental collaboration that promotes individual and company success
Rewards Factor seven	A fair level of pay which acknowledges the contributions an employee makes in supporting the company's goals
Employee empowerment Factor eight	Demonstrating trust in employees' capabilities by providing them with adequate autonomy and control over their work

The hypothesis that the 10 drivers identified in project one were the main engagement drivers at Walkabout was partially supported. Six of the original 10 drivers were conceptually the same⁴³ (senior leadership, team leadership, employee empowerment, customer focus, rewards and recognition, and continuation), with four factors dropped (opportunities, community, values, work experience), and two new factors created (work support, and work demands), leaving the eight factors (drivers) presented above.

Once the engagement drivers were identified, correlations involving the drivers and engagement were performed. The relationships between the drivers were noted, as well as the relationship between each driver and the five item engagement scale. Subsequent confirmatory analysis of these relationships were conducted (see chapter seven).

Table 6.4
Correlations between engagement and drivers

	Factors (drivers)								
	Engage	Epower	Reward	Wsuport	Cust foc	Contin	Wdemd	TeamL	SenrL
Epower	.48**								
Reward	.54**	.36**							
Wsuport	.42**	.45**	.44**						
Cust foc	.47**	.41**	.37**	.46**					
Contin	.66**	.54**	.59**	.58**	.47**				
Wdemd	.47**	.33**	.53**	.33**	.28**	.48**			
TeamL	.30**	.52**	.35**	.48**	.24**	.47**	.31**		
SenrL	.58**	.49**	.53**	.65**	.57**	.60**	.37**	.37**	

N values range between 398 – 409. ** Correlation is significant at the 0.01 level.
Epower = employee empowerment, Reward = financial rewards, Wsuport = work support, Cust foc = customer focus, Contin = continuation, Wdemd = work demands, TeamL = team leadership, SenrL = senior leadership.

⁴³ Items within each factor varied slightly.

All drivers reported a medium to strong positive correlation with engagement, with values ranging from $r = .58$, to $r = .30$ (Cohen, 1988). The highest co efficient value between engagement and each of the eight drivers was with continuation. This did not support the hypothesis that team leadership was the most influential engagement driver at Walkabout. Instead, an employee's desire to remain with the organisation, fuelled by a challenging position and a favourable career path within the organisation, were more important. Correlations between the eight drivers also reported medium to strong values, ranging from $r = .27$, to $r = .66$. No correlations were above .7, which would have indicated multicollinearity (Pallant, 2005). This supported a notion derived from the qualitative data in project one that engagement drivers at Walkabout functioned in an interrelated way working in combination to support engagement levels. Taking this into consideration, structural equation modelling was chosen to confirm the relationships between the drivers and engagement as, unlike regression, structural equation modelling considers all driver relationships with engagement simultaneously, which appeared to be representative of what was occurring at Walkabout.

Driver scores were compared across three company divisions. A one-way between groups multivariate analysis of variance was performed to provide this comparison. All eight drivers represented dependent variables, and the three company divisions (corporate, retail and support) represented the independent variables. Preliminary assumption testing was conducted to check for normality, linearity, univariate and multivariate outliers, homogeneity of variance – covariance matrices, and multicollinearity, with no serious violations at the $p = .01$ level. No significant difference between the means of each division was found, indicating that perceptions of engagement did not differ greatly between divisions. These results confirmed that the drivers scale was a consistent measure across company divisions

and that job type did not appear to significantly influence engagement at Walkabout. See appendix L for mean drivers scale scores across divisions.

Internal consistency assessment.

To assess scale reliability, internal consistency of each driver (factor) was analysed. Each Cronbach Alpha score for the scales fell between .78 and .93, all exceeding the recommended minimum of .7, indicating strong item covariance (Whitley, 2002). See appendix M for Cronbach Alpha scores and inter item correlation matrices.

Relationships with related measures.

To assess criterion, discriminant, and convergent validity, correlations between the five item engagement scale and test battery surveys were conducted (test battery scales: The Three Component Model of Commitment; revised version (Meyer & Allen, 2004; Meyer et al., 1993), The Utrecht Work Engagement scale (UWES) short form (Schaufeli & Bakker, 2003), and the Organisational Commitment Scale (Cook & Wall, 1980). As expected, all correlations were positive and significant.

Table 6.5

Correlations between test battery surveys

<i>Test Battery Scales</i>			
	<i>Engage 5</i>	<i>Meyer</i>	<i>Schaufeli</i> <i>Cook</i>
<i>Meyer</i>	.59**		
<i>Schaufeli</i>	.60**	.51**	
<i>Cook</i>	.75**	.64**	.70**

N values range between 399 – 402. ** Correlation is significant at the 0.01 level. Engage 5 = the five item engagement scale, Meyer = three component model of commitment scale, Schaufeli = the UWES, Cook = the organisational commitment scale.

Correlation values between engagement and Cook and Wall's (1980)

Organisational Commitment Scale were the strongest amongst the test battery surveys, confirming convergent validity. Even though Cook and Wall's scale was titled a commitment scale, its items read as measuring a similar construct to what engagement represented at Walkabout. Correlation values between engagement and the Utrecht engagement scale demonstrated that the constructs were related, but measured different forms of engagement. Correlations with the three component model of commitment scale were the lowest but still strong. Additional correlations were run with each sub construct (affective, normative and continuance) to determine criterion and discriminant validity.

Table 6.6

Correlations between engagement and the three components of commitment

	Commitment			Sub Constructs	
	Engage 5	Affective	Normative	Normative	Continuance
Affective	.74**				
Normative	.59**	.76**			
Continuance	.06	.23**	.31**		

N values range between 399 – 402. ** Correlation is significant at the 0.01 level.

Engage 5 = the five item engagement scale

The hypothesis that affective commitment would have the strongest correlation with engagement was confirmed. This finding supported the qualitative results of project one in which Walkabout employees stressed the importance of emotional engagement; sometimes using employee engagement and emotional engagement interchangeably.

Engagement was significantly correlated with affective and normative commitment, but not continuance commitment. This was a surprising result, as the driver reporting the strongest correlation relationship with engagement was continuation, which at face value is a related factor. To explore this relationship further, correlations were conducted between all eight engagement drivers and continuance commitment.

Table 6.7
Correlations between the eight drivers of engagement and continuance commitment

	Factors (drivers)							
	Epower	Reward	Wsuport	Cust foc	Contin	Wdemd	TeamL	SenrL
Continu	.30	.06	.08	.06	.12*	.02	.12*	.07

N values range between 399 – 404. * Correlation is significant at the 0.05 level (2 – tailed). Correlations significant at the 0.05 level. Epower = employee empowerment, Reward = financial rewards, Wsuport = work support, Cust foc = customer focus, Contin = continuation, Wdemd = work demands, TeamL = team leadership, SenrL = senior leadership, Contin = continuance commitment.

The continuation driver reported a significant correlation with continuance commitment. All other drivers, except team leadership, showed non significant relationships with continuance commitment. This result accounts for the non significant relationship shown in table 6.6 between continuance commitment and engagement.

The relationship between engagement and continuance commitment is tested further in chapter seven, project three, using structural equation modelling to clarify if there is any causal link between the two variables.

Chapter Summary: Main Findings

The findings relevant to the hypotheses addressed in this chapter were as follows:

- For Walkabout employees, engagement functioned as a uni dimensional construct, with all survey items included in the engagement scale loading on one factor.
- The 10 proposed engagement drivers identified in project one were not all confirmed as engagement drivers at Walkabout. They were reduced to eight drivers, which included senior leadership, team leadership, work demands, work support, employee empowerment, continuation, customer focus, and financial rewards.
- Organisational commitment was closely related to engagement, but functioned as a discrete variable. Affective commitment reported the strongest correlation with engagement, compared to continuance and normative commitment.
- Neither senior leadership nor team leadership were the most important engagement drivers at Walkabout, with the continuation driver showing the strongest correlation with engagement. The predictive value of these drivers was tested in the subsequent chapter (seven), project three.
- Engagement increased with age, with the baby boomer group reporting the highest levels of engagement. However, there were no significant differences in mean scores between generational groups.
- Engagement varied with tenure, reporting a non linear trend with higher levels of engagement reported for long term employees, followed by recently appointed employees.
- Engagement generally increased with the level of authority, but those in the most senior positions did not show the highest levels for engagement. The

highest levels were reserved for area and nation leaders (one group down from regional and global leaders).

Once the engagement survey (the five item engagement scale plus the drivers scale) was identified, confirmation was needed to ensure survey validity. Project three, described in chapter seven, next outlines the findings from the confirmatory factor analysis of the engagement scale and also outlines the structural equation modelling process used to test the proposed engagement model.

CHAPTER SEVEN: PROJECT THREE.

ENGAGEMENT SURVEY AND MODEL CONFIRMATION

Exploratory analysis in project two established the underlying structure of the engagement construct. Project three now details the additional analysis carried out to confirm the engagement survey and theory model. Structural equation modelling (SEM) was deemed an appropriate method for this analysis, as it could determine causal links between variables allowing for the confirmation of engagement drivers (antecedents) and outcomes (consequences) (Joreskog & Sorbom, 1989). The confirmatory factor analysis (using SEM) of the engagement survey (drivers plus outcomes) showed that little adjustment was needed. However, some changes to the engagement model (drivers, engagement, and outcomes) were required. In order to achieve a satisfactory fit (according to the SEM fit indices) and obtain model conversion, a series of theory driven changes were made. One major change was to divide the outcome variables into personal and organisational outcomes. Unexpected findings concerning the causal link between engagement and organisational outcomes prompted additional exploratory analysis, whereby two further hypotheses were tested. Subgroup analysis was conducted to see if by grouping the data according to company division, the relationship between engagement and organisational outcomes changed. Relationships did not change to any significant degree, signalling the robust nature of the originally confirmed model. Other findings confirmed the engagement definition, which was originally extracted from the qualitative data presented in project one, and was confirmed via the engagement measure identified in project two. In the process of establishing these outcomes, the following hypotheses were addressed:

1. That the eight engagement drivers (factors) identified in project two would be predictive of engagement at Walkabout.

2. That the eight engagement drivers identified in project two, combined with the five item engagement scale would function as a valid engagement survey measuring engagement and its predictors.
 3. That engagement would function as a mediating variable between the engagement drivers and specific engagement outcomes.
 4. That engagement would have a positive causal effect on financially related variables: productivity, profit, and customer satisfaction.
 5. That engagement would have a positive causal effect on staff retention variables: continuance commitment and staff retention (measured by staff turnover figures).
- The additional hypotheses raised to further explore the relationship between engagement and organisational outcomes were as follows:
6. That engagement would function as a positive predictor for both organisational and personal outcomes.
 7. That engagement would affect personal and organisational outcomes differently depending on the organisational division.

Assumptions

All calculations and modelling used Bentler's (1995) EQS program, version

5.7a. Maximum likelihood estimation was used, as it is robust and is reasonably tolerant of normality violations (Chou & Bentler, 1995).

Sample size.

Of the original 410 respondents, a sample of 373 was used in SEM (except where divisions were broken down into smaller groups for subgroup analysis where the *n* value is specified separately). Thirty six cases were removed from the original data set, as they could not be categorised into the appropriate company division used as the primary unit of analysis. One outlier was also removed. Missing data

was replaced using expectation maximisation (EM), as it introduced the least bias into the estimated model (Hair, 1998). In the final data set there was no missing data.

In terms of sample size adequacy, Klem (2000) recommended a minimum of 100 to 150 cases. Bentler and Chou (1987) recommended at least 5 cases per parameter estimated, and if variables were not normally distributed, 10 cases per parameter estimated was desirable. With 24 parameters included in the confirmed engagement survey, including engagement and its drivers ($240 \times 10 = 240$), and 35 parameters in the confirmed engagement model, including engagement, its drivers and outcomes ($35 \times 10 = 350$), the sample size of 373 was deemed acceptable.

Normality.

All measured variables (engagement drivers and outcomes) showed some degree of abnormality. All eight engagement drivers reported a slight positive skew; that is, employees scored highly in the drivers, but these patterns were considered within acceptable limits and, therefore, were not transformed (Tabachnick & Fidell, 2001). The outcome variables of productivity, profit, continuance commitment, customer satisfaction, and staff turnover varied greatly in range, mean and standard deviation. It was anticipated that the outcome data would be problematic, as it was generated from internal company reports which contained various inconsistencies (e.g. missing data, inconsistency in the assignment of employees to division due to a cross functional work structure, and lack of standardised measures across divisions for comparative purposes). In addition, a recent company restructure added variability to staff turnover figures, producing additional error.

The method used to overcome some of the above mentioned variability was to standardise the range of each outcome variable (Hogan, 2007). Some outcome variables were based on a 1 – 7 scale, such as continuance commitment (as measured in the test battery), while some variables had values in the millions, such

as company profit. By standardising these outcome variables using z-scores, all measured variables in the model had a more comparable range of either 1 – 5 for the engagement drivers, 1 – 7 for continuance commitment, or -3 to +3 for organisational variables.

Outliers.

Outliers were assessed at two different units of analysis: the individual case, and company division. Six individual cases were reported as outliers; the most extreme (case 14) was removed. This had little effect on the model; therefore, subsequent individual cases were left in the data set.

Fit indices.

As recommended by Hair (1998), a selection of fit indices was used to assess model adequacy. Two absolute fit measures: chi squared: χ^2 , and the root mean square of approximation: RMSEA (Browne & Cudeck, 1993) were used. Three comparative fit indices the comparative fit index: CFI (Bentler, 1990), the non-normed fit index: NNFI (Bentler & Bonett, 1980) – also known as the Tucker – Lewis Index: TLI, and the incremental fit index IFI: (Bollen, 1989) were used. All five measures were taken into account when assessing each model's level of acceptability.

The χ^2 statistic was used to compare how well the observed data fitted the expected data by measuring the difference between the proposed engagement model and the actual data (Aron, Aron, & Coups, 2006; Child, 1990; Klem, 2000). As the χ^2 reflects the overall lack of fit, a non significant difference was desirable; in other words, a low χ^2 was desirable.

The RMSEA was used to assess the lack of model fit compared to the “perfect model” (Tabachnick & Fidell, 2001 p. 699). The RMSEA is sensitive to

model misspecification, but is not as sensitive to distribution and sample size as the χ^2 (Hu & Bentler, 1998). For each model reported, the RMSEA was below .08, and therefore considered acceptable (Hair, 1998; Schreiber, Stage, King, Nora, & Barlow, 2006).

The CFI was used to measure the degree of model fit compared to a baseline model (independence model) which assumes no co-variances among the measured variables (Jang, 2005). This measure is recommended for assessing model fit for small samples (Bentler, 1990), as was included here as several model versions (particularly in the subgroup analysis) contained smaller samples. All CFI values were higher than the recommended .95 (Schreiber et al., 2006; Tabachnick & Fidell, 2001).

The NNFI “combines a measure of parsimony into a comparative index between the proposed and null models” (Hair, 1998 p. 657). As with the CFI, the NNFI is resistant to errors associated with sample size and, therefore, was considered a valuable inclusion (McKee-Ryan, Wu, & Kinicki, 2004). All reported models showed NNFI value higher than the recommended .9 (Hair, 1998).

The IFI reports less sampling variability than the NNFI (Tabachnick & Fidell, 2001). “It combines a measure of parsimony into a comparative index between the proposed and null models” (Hair, 1998, p. 657) and can be used to compare models as with the subgroup analyses later in this chapter. All reported models showed a value higher than the recommended .9 (Hair, 1998).

Engagement Scale Confirmation

Confirmatory factor analysis (CFA) was run to assess the validity of the engagement survey identified in project two. Some minor modifications were needed before the model was finalised. An initial SEM showed a positive, significant relationship between all eight engagement drivers and engagement with one

exception, work support, which reported a negative coefficient. Based on theoretical grounds, this negative loading was unexpected and the original factor structure was revisited. Item 32 which had the next highest factor loading under the work support factor listed on the pattern matrix (-.37), was added as it conceptually fitted with the rest of the factor items. Although it did reduce the Cronbach Alpha from .82 to .79, for the work support subscale, the internal reliability was considered adequate. CFA was run again, converging in five iterations. The eight drivers (indicators) all showed positive loadings onto the latent driver variable ranging from .52 to .82. The eight drivers combined were shown to be reliable predictors of engagement. The measurement model, which compose of the eight drivers and the latent driver variable, formed the first part of the engagement model as depicted in figure 7.1.

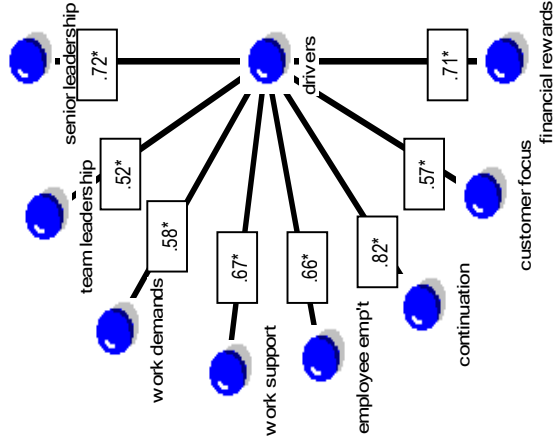


Figure 7.1 The measurement model of engagement . $\chi^2 = (12, N = 373) 35.89$, $p < .01$, CFI = .98, NNFI = .95, IFI = .98, RMSEA = .07. * Path values are significant. Fit indices indicated an acceptable model with all comparative fit indices above 0.95 and the RMSEA below 0.8. S All path values were significant. See appendix N for EQS diagram, the goodness of fit summary, and the covariance matrix.

Engagement Model Confirmation

Once the measurement model was confirmed, the latent engagement variable and engagement outcome variables were added to the analysis in order to confirm the complete engagement model (drivers, engagement and outcomes). The structural model represented by the relationships between the drivers (a latent variable with the eight indicators confirmed above), engagement (measured by the five item engagement scale), and outcomes (a latent variable with five initial indicators) was assessed. Due to the poor quality of the outcome variables, it was anticipated that several would be dropped in the evaluation process. However, all five outcomes: retention (continuance commitment), retention (staff turnover), productivity (KPI's), productivity (commission), customer satisfaction, and profit were included in the initial analyses to determine which variables were the most reliable measures.

The hypothesised model proposed in chapter two (figure 2.7) failed to converge. The relatively small sample size compared to the number of parameters was thought to be a contributing factor (Tabachnick & Fidell, 2001), along with the previously mentioned anticipated error in the outcome variables. Post hoc modifications were made guided primarily by engagement theory, reviewed in chapters one and two. The following modifications were made. Two of the outcome variables, profit and commission, were combined to form a composite financial variable. Staff turnover and KPI variables were dropped because company layoffs and restructuring was thought to have introduced a large amount of error to the staff turnover figures, while KPI values measured different productivity outcomes for different divisions; therefore, accurate comparisons between divisions could not be made. Several modifications were made in terms of categorising outcome variables according to type, with the delineation of personal outcomes and organisational outcomes proving the most conceptually sound and producing a statistically robust

model. The revised structural model, showing the split in outcome variables, is depicted in figure 7.2.

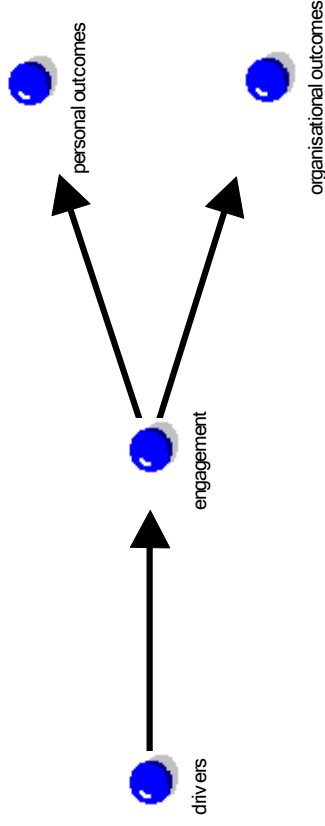


Figure 7.2 The revised structural model

By categorising the outcome measures into these two groups and eliminating the less reliable indicators, model conversion was achieved. Using an iterative process, 42 model variations were tested, at which point conversion and acceptable fit were achieved. After theoretical consideration, seven correlations between engagement drivers were added to the last model variation based on the Lagrange multiplier test and the Wald test (Tabachnick & Fidell, 2001). No paths were deleted. The amended model was supported converging in 16 iterations.

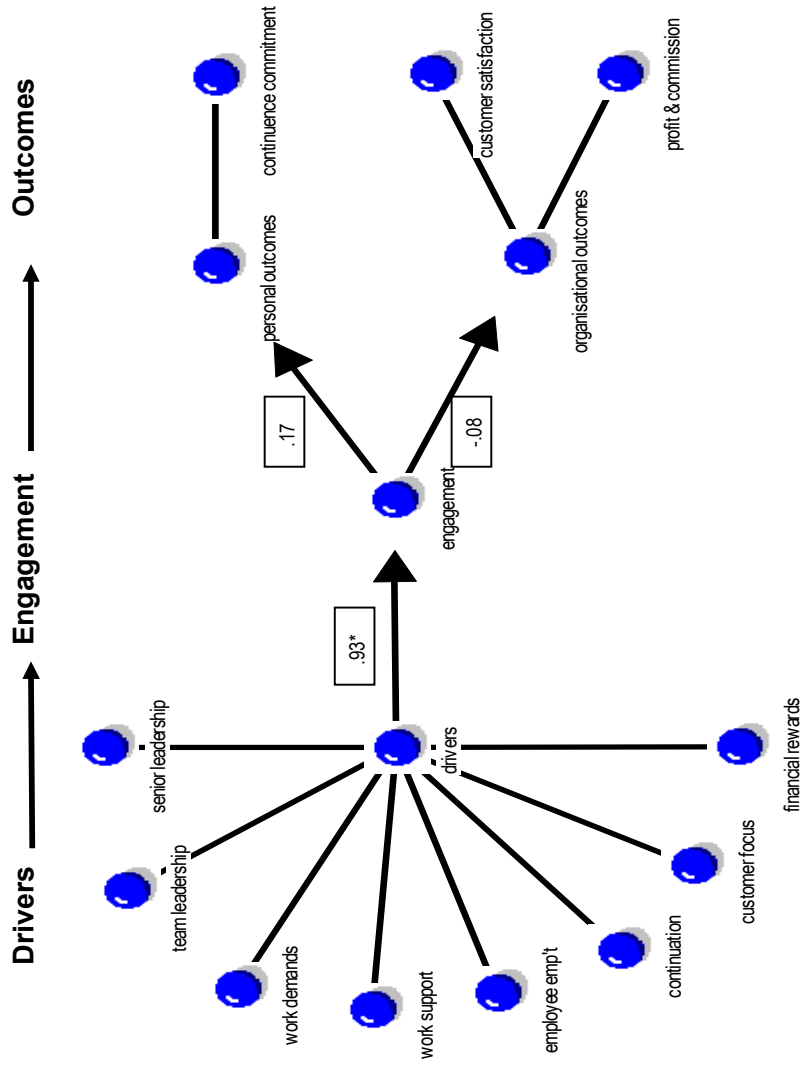


Figure 7.3 The Confirmed Engagement Model. X^2 (42, $N = 373$) = 99.74, $p < .001$; CFI = .96, NNFI = .94, IFI = .96, RMSEA = .06). Structural path values shown. * Path values are significant. See appendix O for full EQS diagram, the goodness of fit summary, and the covariance matrix.

Direct Effects

The results of the confirmed engagement model supported the hypothesis that the eight engagement drivers, when combined, predict engagement (standardised coefficient = 0.93⁴⁴). The hypothesis that engagement demonstrated a positive causal relationship with engagement outcomes was partially supported. Engagement reported a positive causal relationship with personal outcomes measured by continuance commitment (standardised coefficient = .17), while

⁴⁴ The value noted in text is the true value. The actual value shown in Appendix O is negative as the engagement measure was reflected to gain an accurate assessment of engagement effects on outcome variables.

engagement reported a negative causal relationship with organisational outcomes (standardised coefficient = -0.08). This negative effect was unexpected and contrary to previous research findings (Harter, 2002; Hewitt 2005). Suspected error in the organisational outcome variables may have contributed to the accuracy of these results; therefore, further testing using additional combinations of outcome variables was recommended for further research.

Indirect Effects

The hypothesis that engagement operates as a mediating variable between engagement drivers and engagement outcomes was supported. A path between engagement drivers and personal outcomes reported a standardised coefficient for indirect effect = .11, and between engagement drivers and organisational outcomes a standardised coefficient for indirect effect = -.12. Adding these pathways did not improve model fit or increase the strength of the original pathways. In other words, engagement functioned as a mediating variable between engagement drivers and outcomes; positively for personal outcomes, and negatively for organisational outcomes.

In general terms, the proposed engagement model was supported (see figure 7.3 for the confirmed model). The eight proposed engagement drivers were predictive of engagement. But for the model to converge, engagement outcomes needed to be split into personal and organisational categories, as each was affected differently by engagement. The amended model was then supported. Unexpected findings which showed engagement having a negative causal relationship with organisational outcomes prompted further exploratory analysis. As a way of assessing this relationship further, subgroup analysis was performed based on the hypothesis that different divisions may produce different results as work outputs varied between these subgroups.

Subgroup Analysis

When reviewing the data used to confirm the engagement model, it was suspected that different company divisions may produce different trends in terms of organisational outcomes as outcome figures appeared to be different for each division. By separating cases by company division (according to job type, and associated outputs), it was hypothesised that the engagement model would produce significantly different results for each division. The 373 cases were divided into three categories: corporate, retail and support. The corporate division (n = 45) included all corporate staff involved in the sale of corporate travel. The support division (n = 168) included all staff involved in supporting those selling retail travel, including head office staff. The retail division (n = 160) included all staff that sold retail travel. Outcome data available for each group varied. Commission and customer satisfaction data was only available for the retail group, while profit and continuance commitment data was available for all three groups. Models were adjusted accordingly. Each division was then subjected to SEM to determine any differences between the models. See Appendix P for EQS diagrams, the goodness of fit summaries, and the covariance matrix for each subgroup.

The measurement models.

The measurement model was applied to each division; intum, all eight engagement drivers combined predicted engagement in each case. In addition, the five item engagement scale proved a valid measure for engagement. Together, the engagement scale and the drivers scale were a valid measure of engagement and its predictors for employees from each division.

As shown in table 7.1, when comparing driver loadings between the divisions, the continuation driver showed the highest loading for all divisions, showing that for employees across the organisation, continuation was the strongest predictor of

engagement. In addition, senior leadership showed a higher loading than team leadership for all divisions, showing that for employees across the organisation, senior leadership was the stronger predictor of engagement. This was particularly so for those in the support division. The work demands driver was noticeably more important for those who sold travel (retail and corporate divisions, indicating that workload (the major theme within the work demands factor) was more an issue for these employees.

Table 7.1
Comparison of the eight driver coefficient values in each subgroup

Observed variable	Latent variable	Subgroup Corporate β	Subgroup Support β	Subgroup Retail β	Total N group
Senior leadership	Drivers	.66	.80	.67	.73
Team leadership	Drivers	.37	.56	.52	.52
Work demands	Drivers	.65	.48	.65	.54
Customer focus	Drivers	.47	.57	.65	.59
Work support	Drivers	.73	.75	.57	.67
Continuation	Drivers	.90	.87	.75	.84
Financial rewards	Drivers	.81	.67	.69	.68
Employee empowerment	Drivers	.63	.67	.64	.65

Note: Total N group included all participants (N = 373).

The structural models.

When examining the structural model of each division, the drivers variable consistently reported a (positive⁴⁵) predictive relationship with engagement for all divisions, but the causal relationship between engagement and the outcome variables were noticeably different as shown in figure 7.4.

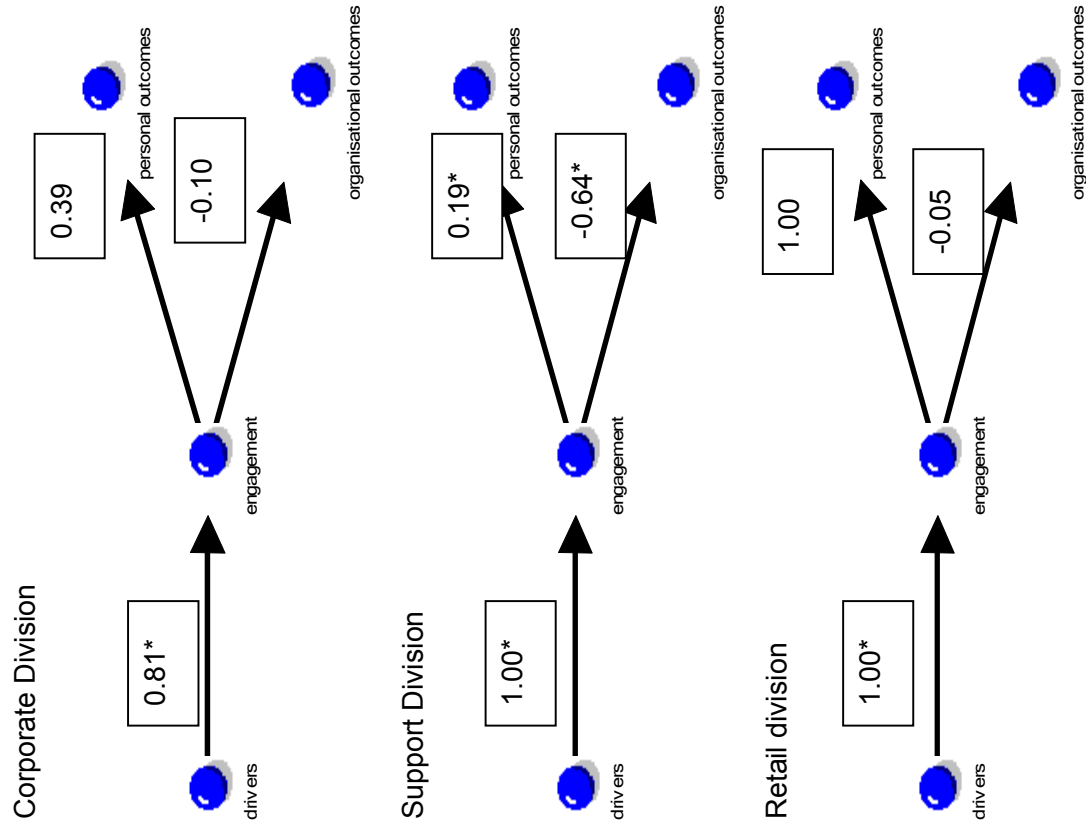


Figure 7.4 The structural model and coefficient values for all three divisions. * Co efficient path values were significant.

⁴⁵ The true value for the path between drivers and engagement is positive as recorded in table 7.2. The comparable path values in Appendix P are negative because the engagement measure was reflected to gain an accurate assessment of engagement effects on personal / organisational outcomes.

When comparing the structural model coefficient values of each division in table 7.4, there were two noticeable differences. Firstly, for personal outcomes, the support division reported the weakest path value while retail reported the strongest path value. Secondly, for organisational outcome variables, the retail division reported the weakest negative path value while the support division reported the strongest negative path value. To determine if the differences in the models were significant, the χ^2 values of each model were compared as shown in table 7.3.

Table 7.3.

Chi squared comparison and fit Indices for the divisional models.

Division	Fit indices				Chi squared comparisons	
	Chi squared	CFI	NNFI	IFI	RMSEA	Difference between subgroups
Corporate	$\chi^2(30, n=45) =$	.83	.69	.85	.17	$\chi^2(1&2) (1,103) = 4.02,$
(1)	68.78, $p<.001$					$p<.001$
Support	$\chi^2(32, n=168) =$	.95	.91	.95	.09	$\chi^2 (2&3) (1,164) = 12.85,$
(2)	72.80, $p<.001$					$p<.001$
Retail	$\chi^2(43, n=160) =$	.97	.96	.97	.05	$\chi^2 (1&3) (1,107) = 8.83,$
(3)	59.95, $p<.001$					$p<.001$

When comparing the χ^2 values of each model shown in table 7.3, models for support and retail produced significant results (with the critical value of χ^2 exceeding 10.83) (Tabachnick & Fidell, 2001), all other differences were non significant. These results partially support the hypothesis that engagement affects personal and organisational outcomes differently depending on the organisational division. A brief summary of each division model has been provided.

Corporate division engagement model. The corporate division model was supported converging in eight iterations. Out of all three subgroup models, the corporate division model showed the greatest variability. The model did not meet the required minimum values for all reported fit indices (RMSEA>.08, CFI<.95, NNFI<.9, IFI<.9). Therefore, path values shown in the structural model should be read with caution. A contributing factor to the poor fit could be the small sample size ($n = 45$). However, the fact that the model did converge with such a small n value suggests that the design of the model is robust.

Support division engagement model. The support division model was supported converging in eight iterations, with the majority of the fit indices reporting acceptable levels, except for the RMSEA which was above the recommended level of 0.08. Taken as a whole, the confirmed engagement model was more representative of the support division data than the corporate division data. The larger sample size ($n = 168$), may account for some of the increased fit.

Retail division engagement model. The model was supported converging in 21 iterations. Favourable fit indices values revealed that the confirmed model most accurately reflected retail division data. Contributing factors may be the respectable n value ($n = 160$), and the least estimated (outcome variable) data which may have improved model fit.

Chapter Summary: Main Findings

The main findings relating to research questions and hypotheses addressed in this chapter were as follows:

- The eight drivers (factors) identified in project two all functioned as positive predictors of engagement at Walkabout.

- The drivers scale (represented by the eight drivers), along with the five item engagement scale, were confirmed as a valid engagement survey measuring engagement and its predictors.
- Engagement functioned as a mediating variable between drivers and personal outcomes, and drivers and organisational outcomes. For personal outcomes it was a positive mediation effect, and for organisational outcomes it was a negative mediation effect.
- Engagement at Walkabout had a negative affect on organisational outcomes (which were primarily profit related).
- Engagement had a positive effect on personal outcomes, represented by continuance commitment.
- The relationship between engagement and specific outcomes varied according to company division, stressing the need to treat personal and organisational outcomes differently for employees who have different work outputs.

Project three completed the results section, which validated the engagement survey and confirmed the engagement model. Chapter eight draws on the findings of projects one, two, and three, discussing the main points of interest. Areas of further research are identified.

CHAPTER 8: PROJECT FINDINGS, APPLICATIONS, LIMITATIONS AND FURTHER RESEARCH

Main Project Outcomes

The current thesis examined engagement as it existed within Walkabout, a large travel retail company with more than 4,000 Australian employees. The two main outcomes of this study included a validated engagement survey and confirmed engagement model that explained engagement as it existed at Walkabout. In summary, the study was composed of three sequential projects which addressed these outcomes. Project one used qualitative research to identify the main engagement themes that existed at Walkabout. Project two used these themes to generate survey items, which were refined via a pilot test and expert panel review before being administered to the wider organisation. The survey results were factor analysed to determine the underlying structure of the engagement construct, effectively reducing the survey items into nine subscales, which measured engagement and its predictors. Project three used structural equation modelling to validate the engagement survey and confirm the engagement model, which explained the causal links between engagement, its drivers and outcomes. A previous review of the literature (chapters one and two) indicated no existing engagement survey or model that would adequately measure and explain engagement as it existed in Walkabout. The current study addressed this research gap, producing outcomes that had an applied value and contributed to academic knowledge.

This chapter summarises the main findings derived from the 20 research questions addressed in this study. These 20 research questions were summarised under seven main topic areas and are detailed in the following section. These findings are discussed and linked to relevant research. The chapter concludes with a

discussion on the study's limitations, areas for improvement and suggested possibilities for further research.

Main Findings

1. *Engagement as a Construct*

In order to design a model and measure of engagement, it was important first to establish a definition of engagement and build a general understanding of the construct as it operated in Walkabout (DeVellis, 2003). Previous definitions cited in the literature were varied (Macey & Schneider, in press), stressing the importance of determining a relevant definition for the current case. The definition was built using a sequential process involving employee interviews, survey measurement, and structural equation modelling to ensure the engagement definition and measure were valid. A number of research questions and hypotheses were addressed in establishing an engagement definition which now follows.

Defining engagement.

A working definition of engagement was established in project one based on 2 of the 12 themes extracted from the employee interviews. This definition was measured (using an engagement scale) in project two and confirmed using structural equation modelling in project three. For Walkabout employees, engagement was:

the extent to which employees identify with their organisation: its people, values, purpose, and culture. Engagement is about the level of emotional connection employees feel toward their organisation; the passion and enthusiasm they feel, and their motivation towards supporting the company's goals.

This definition also reflected the engagement definitions used by industry consultants, as reviewed in chapter two. As with the Hewitt and Gallup definitions, Walkabout employees referred to engagement as a relationship between the employee and the organisation (Coffman & Gonzalez-Molina, 2002; Hewitt Associates, 2004a). All three definitions (including the definition established in this study) stressed the importance of the intellectual and emotional connection employees felt toward their organisation. And that the intensity of this connection motivated employees to give discretionary effort, helping the organisation reach its goals.

However, engagement as defined at Walkabout differed from another definition cited in the literature, that of Schaufeli and Bakker's "work engagement", which emphasised employees' connection with their work, as opposed to their connection with the organisation. In this regard, the findings support the results of Saks' (2006) research that confirmed the distinction between organisational engagement and job (work) engagement. At Walkabout, engagement appeared to be reflective of organisational engagement rather than job / work engagement. Further research comparing Saks' (2006) organisational engagement scale and the engagement scale confirmed in this study is needed to clarify this position.

Engagement as a uni dimensional construct.

To establish if engagement at Walkabout was uni dimensional or multi dimensional, exploratory factor analysis was conducted in project two on 392 participants. The underlying factor structure of engagement was confirmed as uni dimensional with all items in the final engagement measure (the five item engagement scale) loading onto one factor. This was most similar to the Gallup engagement measure (Buckingham & Coffman, 1999), as the other three models

reviewed in chapter two treated engagement as multi dimensional. For applied purposes, a short uni dimensional scale is easier to administer and interpret. However, a longer measure that encompassed various aspects of engagement would allow for a more detailed interpretation of results and subsequent interventions. Further research with other organisation populations using an extended engagement scale⁴⁶ (which would allow for a multi factor rotation) is suggested to confirm the uni dimensional findings of this study.

Demographic effects on engagement.

Little previous research has been conducted on the relationship between engagement and demographic variables. As a contribution to construct development, three demographic variables were selected for analysis: age, tenure, and position level. These three variables were chosen based on the assumption that they may play a role in the high staff turnover rates of new recruits. Subtle effects were reported; however, general trends did not suggest that any of the three variables affected engagement to the extent that may contribute to staff turnover. A brief summary of each demographic variable analysis is provided.

The relationship between engagement and age was positive (but non significant). Maslach and Letier (1997) argued that for engagement to be sustainable, employees needed to experience a match in values with their organisation. Based on this premise, the results from the current study suggest that Walkabout's values, as represented by the company's philosophies, were effective in appealing to all three generational ages groups measured (baby boomer, gen X and gen Y). This conclusion was based on the fact that no group reported a significantly stronger

⁴⁶ The extended engagement scale refers to the full set of nine engagement items originally written to measure engagement; of which only five were selected for the confirmed engagement scale.

identification with the organisation (using mean group engagement scores) than any other group.

The relationship between engagement and position level (represented by level of authority) was positive (but again, non significant) with those in higher levels of authority, reporting higher levels of engagement. However, the highest levels of engagement were not reserved for the most senior employees, but for area and national leaders, suggesting that other variables had an overriding effect. These results did not support previous research (Towers Perrin, 2003), which positioned senior executives as the most engaged group, as their jobs contained more engagement enhancing variables such as challenge, authority, autonomy, resources, and growth opportunities. These non significant results could be explained in reference to company philosophy number 10: egalitarianism. At Walkabout, all employees have the same privileges; ideally there is no favouritism for example with promotional opportunities and work resources. Although different jobs vary in terms of authority and autonomy, the cultural value of egalitarianism may have minimised the effect of position on engagement.

Tenure and engagement showed a non linear relationship, with the highest engagement scores reported for those employees who had been with the company more than ten years, followed by those who had been with the company less than three months (9 groups in total were analysed: >3 months, between 2-6 months, between 6 – 12 months, between 12 – 18 months, between 18 – 24 months, between 2 – 3 years, between 3 – 5 years, between 5 – 10 years, >10 years). There were significant differences between the mean scores of each group; however, no obvious pattern was evident. If taking Coffman and Gonzalez – Molina's (2002) argument that employees' needs change over time, it appears that Walkabout met the needs of certain employee groups more effectively than others. If so, Walkabout was more effective at meeting the needs of long term employees and new recruits.

Taking age, tenure, and position variables together, interaction effects on engagement were non significant. As these variables showed only subtle effects on engagement, it is assumed that variables other than engagement are contributing to the high staff turnover rates. However, a longitudinal study measuring staff retention is needed to verify this conclusion.

A more probable explanation for the high staff turnover, particularly of new recruits, was the “churn factor,” described by one interviewee (interviewee TU, 2004). Such comments referred to the perceived imbalance of job demands and resources, as explained by Schaufeli and Bakker (2004). Based on interview comments, it appeared that new recruits faced high job demands, with fewer resources (including personal experience) to meet those demands, resulting in burnout and eventual staff turnover.

Once a definition of engagement had been established, it was necessary to determine what generated and maintained engagement at Walkabout. Identifying the main engagement drivers addressed this issue.

2. *Engagement and its Drivers*

In order to model and measure engagement at Walkabout, it was necessary to establish the main engagement drivers operating within the company. Nine engagement drivers were extracted from the literature review detailed in chapter one and two, and used as a starting point to determine Walkabout's main engagement drivers. These were revised after assessing the qualitative data of project one, and again after the factor analysis of project two. In the final structural equation modelling analysis conducted in project three, eight engagement drivers were confirmed.

Figure 8.1 provides a flow diagram which summarises the process of how the drivers were identified, refined, tested and confirmed.

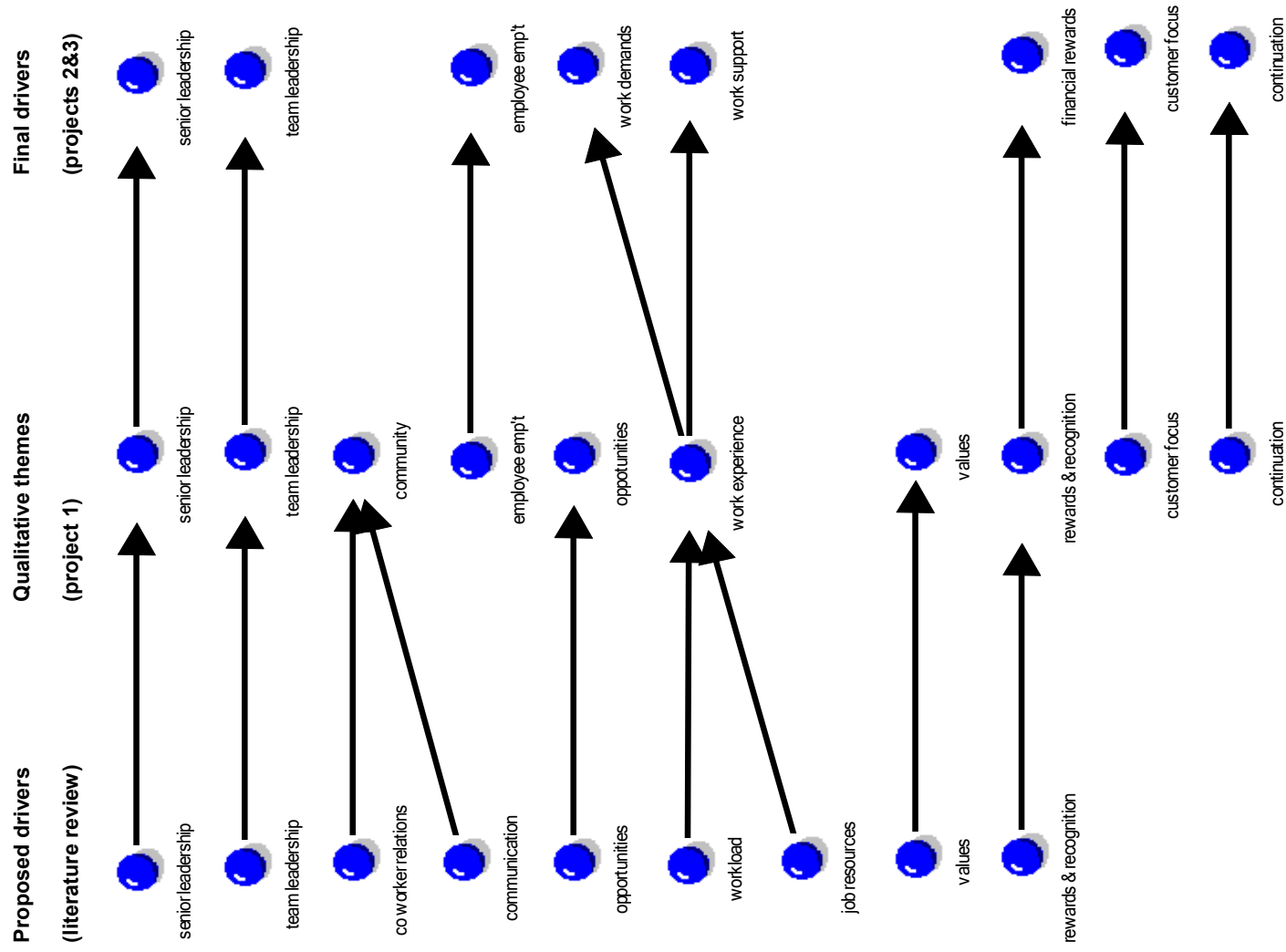


Figure 8.1. Engagement driver development: The sequential process of driver confirmation.

In general, the proposed drivers and the confirmed drivers did not vary greatly in content, suggesting that engagement dynamics at Walkabout were not dramatically different from those used in the engagement models reviewed in chapter two. Such results highlight the potential for the confirmed survey and model to be used in other organisational settings. However, further research is necessary to confirm generalizability. A summary of each confirmed driver is now provided, explaining how the driver generated engagement at Walkabout and its relevance to existing engagement literature.

Continuation. The driver which was most strongly predictive of engagement at Walkabout was continuation. This driver referred to employees' desires to remain with the organisation, while at the same time feeling satisfied with their current work role and future work prospects within the organisation. Continuation was a combination of the "career opportunities" driver from the Hewitt model, and the personal and professional items from the Gallup model (Buckingham & Coffman, 1999; Hewitt Associates, 2004a). For those employed at Walkabout, meeting their professional and personal goals via a favourable career path was engaging. Such opportunities were possible in a company undergoing rapid growth which led to multiple promotional opportunities. Continuation may not be the most important driver in slow growth companies. Further research is needed to assess if the predictive strengths of each driver changes in different organisational settings.

Leadership. Senior and team leadership were consistent drivers throughout the three phase process, highlighting the view that leadership at both levels (senior, team) is important for maintaining engagement. Out of the eight confirmed drivers, senior leadership was the second strongest predictor, and team leadership was the eighth strongest predictor. These results, which positioned senior leadership as more important in generating engagement, were consistent with Hewitt based research (Bennett & Bell, 2004), and counter to Gallup based research (Buckingham &

Coffman, 1999). Based on comments from employee interviews in project one, these results were surprising, as interviewees highlighted the team leader's influence on team members' everyday work experience. These comments could be explained by an argument presented in the Melcrum engagement report which stated that organisations which have not conducted formal engagement analysis tend to over emphasise the importance of the team leader in influencing engagement levels and that, on closer inspection, it is senior leadership that plays a more critical role (MelcrumPublishing, 2005).

Work demands and work support. These two drivers reflected the perceived balance of job demands and job resources as identified in Schaufeli and Bakkers' (2004) JD – R model. For Walkabout employees, work support was more important than work demands in driving engagement, with work support ranking fourth as a predictor, and work demands ranking seventh. Therefore, increasing work support would be a more effective strategy than reducing work demands for generating and maintaining engagement.

Customer focus. Another driver illustrative of the JD – R engagement model (Schaufeli & Bakker, 2004) was customer focus. By assisting employees in delivering exceptional customer service (via the provision of adequate job resources), employees were motivated to achieve their work goals and were more likely to be engaged. Walkabout was contributing to the enhancement of this driver via the Full Throttle campaign (outlined in chapter three), which aimed to create more work efficiency for retail employees. Ranked sixth, this type of support appears to be an important element in maintaining engagement, particularly for a retail based organisation.

Employee empowerment. The theme of employee empowerment was ranked fifth overall in its predictive capacity. Similar to Maslach and Leiter's (1997) theme of control, employee empowerment highlighted the importance of employees feeling in

control of their work environment. As described in the employee interviews of project one, without a sense of control, employees' stress levels increased and engagement levels decreased.

Financial rewards. The theme for financial rewards was the third strongest engagement predictor and appeared important to Walkabout employees for two reasons: firstly, it provided unlimited earning potential, and secondly it made employees feel that their work contributions were valued. The incentive-based reward scheme operating at Walkabout was a strategy shared by Best Employers, as surveyed by Hewitt Associates (Hewitt Associates, 2003b). However, Hewitt did not position rewards as a high ranking driver, arguing that pay alone was rarely enough to build engagement (Hewitt Associates, 2003b, , 2004a). However, for Walkabout employees, financial rewards appeared to be a strong motivator for engagement related behavior.

All eight drivers were important predictors of engagement at Walkabout. Each was measured by a separate subscale in the engagement survey so that the analysis of each driver could be assessed accordingly. The process by which the engagement survey was developed is detailed next.

3. *The Engagement Survey*

As no engagement survey reviewed in chapter two was deemed appropriate for the Walkabout case, a new survey was designed. Details of engagement survey development presented in the literature were scarce. The sequential process that was used in the current thesis, whereby qualitative data collected from the sample was used to inform item generation, was thought to contribute to the survey's stability which became evident in the subsequent structural equation modeling process.

The sequential process used here involved all three projects described in this thesis. Project one provided the qualitative data from which themes were established and survey items derived. Project two tested these survey items and factor analysed the data to produce a survey which measured engagement and its eight drivers. Project three used confirmatory analysis to validate the survey. Once the overall engagement survey (which measured engagement and its predictors) was established, analysis shifted in focus to assess what were the outcomes of engagement at Walkabout. This process is detailed next.

4. *The Relationship between Engagement and Specific Engagement Outcomes*

The causal relationship between engagement and organisational outcomes (profit, customer satisfaction and commission), and engagement and personal outcomes (continuance commitment) was assessed in project three using structural equation modelling. Engagement showed a consistent positive causal relationship with personal outcomes across all three company divisions (corporate, retail, and support). This result was consistent with existing research, which confirmed positive relationships between engagement and other personal outcome variables, including job satisfaction, organisational commitment, and organisational citizenship behaviour (Bakker & Demerouti, 2007; Saks, 2006). Taking into consideration other engagement literature that presents personal variables (such as “intention to stay” or continuance commitment) as engagement antecedents (Buckingham & Coffman, 1999), a “positive gain spiral” may be in operation, whereby continuance commitment leads to engagement which leads to continuance commitment, as described in Llorens et al's. (2004) work with engagement and self efficacy. Further research is needed to clarify if a looped pathway between engagement and personal outcomes adds to the confirmed engagement model.

The relationship between engagement and organisational outcomes was different from personal outcomes, with a consistent negative causal relationship across all three company divisions noted (Note: the only significant path value between engagement and organisational outcomes was for the support divisions). This result was unexpected and did not support existing research, which indicated that a positive relationship existed between engagement and other organisational outcomes including customer satisfaction, productivity, profit, and shareholder return (Bennett & Bell, 2004; Buckingham & Coffman, 1999; Coffman & Gonzalez-Molina, 2002; Harter et al., 2002; Hewitt Associates, 2005b). An exception to these references was a doctoral thesis by Mills (2005), which used the profit chain model to assess the relationship between engagement and organisational outcomes. Mixed results were reported in Mill's study, a non significant, negative correlation was found between engagement and customer satisfaction; a non significant, positive correlation was found between engagement and profit; but a significant, positive relationship between engagement and productivity. To provide a comparison, exploratory analysis using Pearson Product Moment correlations was conducted on Walkabout data. Preliminary findings reported non significant positive correlations between engagement and customer satisfaction, productivity (measured by commission, and the attainment of KPI's), and profit. When comparing the two studies, results were not consistent, highlighting the need for further research to clarify the relationship between engagement and organisational outcomes.

There are several possible reasons why a negative causal link between engagement and organisational outcomes could be reported for Walkabout. Firstly, there was suspected error in the organisational outcomes variables due to missing data, inconsistency in the assignment of employees to division, and lack of standardised measures across divisions. Secondly, the relationship may have been overshadowed by other business related factors that affect organisational

performance, including market competition, industry changes such as online booking facilities, operational expertise of senior leaders, and the availability of work resources necessary to achieve work goals. Thirdly, the causal relationship between engagement and organisational outcomes may not be direct. To elaborate, engagement at Walkabout is concerned with the relationship between the employee and the organisation; it is not related to the level of commitment an employee has to behaving in a certain way, such as selling more product. These two relationships may be linked, but they are not necessarily the same.

In summary, the negative causal link between engagement and organisational outcomes reported in this study may be due to measurement error, the overriding effect of business moderators, or a mediator variable which accounts for profit generating behaviour.

In a broader study incorporating engagement, its drivers, and outcomes, the relationships between these variables were assessed simultaneously using structural equation modelling in an attempt to clarify the engagement process at Walkabout. The confirmation of the engagement model is discussed next.

5. *The Engagement Model*

In order to explain how engagement operated within Walkabout, an engagement model which detailed the relationship between engagement, its drivers, and outcomes was designed based on the four models reviewed in chapter two (see figure 2.7). This model was updated throughout the project, and confirmed as a valid explanation of engagement at Walkabout in project three. Essentially, engagement functioned as a mediator between engagement drivers and outcomes. The first half of the model confirmed that engagement drivers functioned as positive predictors of engagement. Little adjustment was necessary to achieve this confirmation. However, in regard to the outcomes portion of the model, several modifications were

necessary. The most important change was the split of outcome variables into personal and organisational categories. This split was considered a valuable addition to the model, as it married the consultancy focus of financially related outcomes (at the organisational level) and the academic focus of employee related outcomes (at the individual or personal level). No engagement model to date has bridged these two approaches in such a way that allows a dual focus on these conceptually different outcomes.

As the confirmed model incorporated both types of outcomes, the different variables could be measured and assessed separately. Such a split added flexibility to the model, making it relevant for organisations which focused on personal outcomes and / or financial outcomes⁴⁷. In a global labour market which shares a real concern for employee retention, this dual focus may become even more relevant for organisations that have traditionally focused on organisational outcome measures. In addition, the split between personal and organisational outcomes allowed for the relationship between these two outcome variables to be analysed. Previous theory development by Fredrickson (2003) using the broaden and build theory discussed in chapters one and two would assume a positive causal link between the two, but further research using the model is needed to clarify this. Never the less, the results of the current study indicate the importance of dividing outcomes into the two main areas identified.

In addition to confirming the structural model of engagement at Walkabout, it was also important to clarify a theory explanation of engagement. Different theories were assessed in the literature review for their relevance. A theoretical explanation of how engagement operated at Walkabout follows.

⁴⁷ Recent research has measured personal outcomes of employees in organisational settings that traditionally has used customer or organisational measures to track performance (see Brown & Gunderman, 2006).

A theory explanation.

The underlying theory which best explained engagement at Walkabout was Schaufeli and Bakker's (2004) energetic / motivational process theory described in chapter two. Based on interviewee comments in project one, engagement drivers were seen to either motivate and engage employees by providing adequate job resources (such as supportive leadership, efficient work systems, and adequate career opportunities) or to exhaust or disengage employees through excessive job demands (such as heavy workloads, demanding customers, and ever increasing KPI's). This dynamic also explained how the anomaly of high engagement and high staff turnover could co-exist in the one organisation. That is, in a highly demanding work environment such as Walkabout, employees who perceived themselves as having adequate work resources remained energised and engaged. However, employees who perceived an inadequacy of job resources became exhausted and disengaged, potentially leading to staff turnover. Therefore, in Walkabout's case, supporting employees to meet their work targets by providing adequate job resources appears beneficial for not only engagement but staff retention.

Despite the fact that employees experienced the work environment at Walkabout as highly demanding, engagement levels were high. The way Walkabout managed engagement was similar to other models cited in the literature, but its multifaceted focus on people management was considered unique. The way Walkabout managed engagement is now discussed, and the effective strategy of maintaining a strong people focus is explained.

6. Engagement at Walkabout

Engagement levels at Walkabout were higher than in "Other Organisations" surveyed by Hewitt Associates (Hewitt Associates, 2003b, 2004a, 2005b). During the interview process of project one, 10 themes emerged as effective drivers of

engagement according to Walkabout employees. Similarities with other models included: encouraging people centred leadership (Buckingham & Coffman, 1999; Harter, 2000; Hewitt Associates, 2004a; Towers Perrin, 2003), providing internal career opportunities (Buckingham & Coffman, 1999; Hewitt Associates, 2004a; Towers Perrin, 2003), operating on an incentive-based reward scheme (Hewitt Associates, 2003b; Towers Perrin, 2003) holding a customer focus (Buckingham & Coffman, 1999; Towers Perrin, 2003), and providing adequate support as a way of encouraging employees to want to remain with the organisation (Bakker & Demerouti, 2007; Schaufeli & Bakker, 2004; Schaufeli, Salanova et al., 2002). However, the people management practices evident at Walkabout, which were spread across several of the confirmed drivers, helped employees feel valued and cared for. This focus on 'people' was maintained through the number one company philosophy. Although some employees complained that the focus on financial results took priority, the numerous structures, policies and practices operating at Walkabout served to stress the importance of its employees. Specific strategies used to maintain a people focus were the implementation of a transformational leadership program, frequent social events for teams, consistent acknowledgement and reward for work achievements, the small team and family style culture, and the numerous career opportunities that provided a vehicle for personal and professional growth. The combination of all these strategies helped employees feel valued and cared for, which contributed to employees feeling more engaged.

7. Engagement and its Nomological Network

Little research was available on the engagement nomological network in 2003 when this study commenced. References had been made to the theoretical positioning of engagement compared to job satisfaction and job involvement (Leiter & Maslach, 2004), but validity studies were scarce. Since then, some empirical

research has been conducted contextualising engagement in terms of related constructs, namely job satisfaction, organisational commitment, intention to quit, and organisational behaviour (Saks, 2006). The positive relationships identified by Saks between these four related constructs and engagement were consistent with the results found in the current study.

To help in the validation process of the engagement survey, the study incorporated three external surveys in the test battery. These three surveys measured various forms of commitment and engagement and were administered to Walkabout employees during project two. All correlations between the confirmed engagement scale and the external survey constructs were positive and significant. Engagement was reported to be related to but distinct from *organisational commitment* (as measured by Meyer and Allen's three component model of commitment, 1991), with a strong correlation but not so strong as to suggest multicollinearity (Cohen, 1988; Tabachnick & Fidell, 2001). In addition, engagement reported the strongest correlation with *affective commitment* (compared to normative, and continuance commitment as measured by the three component model of commitment; Meyers & Allen, 1991). Using an argument put forward by Coffman and Gonzalez-Molina (2002), this suggests that the emotional element of engagement (represented by affective commitment) is an integral part of the engagement relationship.

Strong positive correlations between engagement and the other two surveys in the test battery were also reported, but there were differences. Firstly, the correlation with Schaufeli and Bakker's (2003) Utrecht work engagement scale was not as strong as the correlation between engagement and Cook and Wall's organisational commitment. This could be explained by the fact that the Utrecht scale focused on engagement with work, while the confirmed engagement scale and Cook and Wall's scale focused on engagement (or commitment in Cook and Wall's

case) with the organisation. Such an explanation is consistent with Saks (2006) research, which argued that job (or work) and organisational engagement were separate constructs. The third survey in the test battery, Cook and Walls (1980) commitment scale, reported the strongest correlation with the confirmed engagement scale. This was an expected result, as the survey items which made up the Cook and Wall commitment scale closely resembled the type of engagement measured at Walkabout. For example, an item from Cook and Walls scale reads: "In my work I like to feel I am making some effort, not just for myself but for the organisation as well", which is similar to an item from the confirmed engagement scale which reads: "I am personally motivated to help Walkabout succeed." The similarity between the two scales was assumed to derive from the notion that both focused on the relationship between the employee and the organisation, as well as identifying the employee's desire to actively support the organisation in achieving its goals.

In summary, the nomological network of engagement includes organisational commitment with each construct shown to be related, yet distinct. More specifically, the emotional element of organisational commitment appears to be a key ingredient of the engagement relationship between the employee and the organisation.

Now that the main findings of the thesis have been reviewed and discussed, the remainder of the chapter outlines where study limitations were noted, and where improvements could be made. In addition, possibilities for future research are discussed.

Study Limitations, Improvements and Possibilities for Further Research

In addition to further research recommendations noted earlier in this chapter there are a number of improvements that would build upon the methodology of this thesis.

The primary limiting factor of the current study was that the data and analysis were based on one organisation, restricting generalizability of both the engagement

survey and the engagement model. However, both the survey and the model have the potential to be valid tools applicable in other organisations (because the variables included here were similar to those used in other measures and models).

In terms of the two main study outputs, the confirmed engagement survey, and the engagement model, the survey validity was good, but the theory model could be improved. Specifically, additional outcome variables could be tested to clarify the negative relationship found between engagement and organisational outcomes. Clarification is needed as the obtained result was counter to that found in previous studies (Bennett & Bell, 2004; Buckingham & Coffman, 1999; Harter et al., 2002; Harter et al., 2003; Melcrum Publishing, 2005).

The current study proposed and confirmed an engagement definition and measure applicable to the Walkabout case. Additional research would verify reliability of this definition in other organisational settings. A limitation of the confirmed engagement measure (five item scale) may be its uni dimensional structure. Three out of four measures reviewed in chapter two were multi dimensional (Hewitt Associates, 2003b; Leiter & Maslach, in press; Schaufeli & Bakker, 2003). Multi dimensional surveys had the advantage of being able to measure sub constructs of engagement. For administration purposes, the short five item scale is an advantage, but a longer scale could allow for deeper analysis. Further testing in other organisations would allow for some of these conclusions to be addressed.

The size of Walkabout organisation allowed for adequate sampling to meet reliability requirements. However, a higher response rate (this study's response rate was approximately 10%) would have allowed for data analysis to be conducted on smaller work units. A more concentrated response rate would allow for analysis at the team level clarifying internal effects such as team leadership and camaraderie, as well as external effects such as store location and customer demographics.

The relatively small size of the test battery was also a limiting factor. The number of items included in the test battery needed to be minimised to avoid survey fatigue (Porter et al., 2004). If further testing were permissible at Walkabout where additional surveys could be used, a recommended convergent validation measure would be the Hewitt Best Employers survey as the confirmed definition closely resembled Hewitt Associates' (Hewitt Associates, 2004a).

Due to restrictions on the testing that could be administered to Walkabout employees, variable numbers in the engagement model were also limited. The confirmed engagement model was restricted to measuring the relationships between engagement, its drivers (antecedents), and outcomes (consequences). Additional variables (and measures) that were noted in the literature as related to that or had potential to affect engagement were numerous. At the organisational level, characteristics such as virtuousness (Cameron, Bright, & Caza, 2004) and resilience (Sutcliffe & J., 2003) have been linked to engagement and may play an important role in the engagement process. Certain work characteristics, such as those outlined by Hackman and Oldham (1980) and Warr (1994), may also have an effect. In addition, personality variables may impact engagement; self efficacy (Bandura, 1997), optimism (Carver & Scheier, 2003), intrinsic motivation (Deci & Ryan, 1985), resilience (Leiter & Maslach, 2000a), creativity (Kerr & Gagliardi, 2003), hope (Lopez, Snyder, & Pedrotti, 2003), positive coping (Lopez et al., 2003), hardiness (Britt, Adler, & Bartone, 2001), and life satisfaction (Diener, Lucas, & Oishi, 2002) are variables that may be related to engagement. Research has been conducted on engagement and other personality characteristics included in the NEO – Five Factor Inventory (extraversion, conscientiousness, agreeableness, neuroticism, openness) with significant results, concluding that certain personality variables do contribute to engagement (Phelps, 2005).

The confirmed model had a simple progressive structure which contributed to the growing body of knowledge on engagement. However, further research would clarify if any of the other variables mentioned would improve the model.

Despite the above areas noted for improvement, the study achieved its dual purposes of completing an applied management research project while contributing to academic literature on engagement. In addition, it has produced research results from which additional research and knowledge on engagement can be generated.

In conclusion, contributions to academic research on engagement include the validated engagement survey measuring engagement and its predictors, as well as an engagement model which explains the causal relationships between engagement, its drivers (antecedents), and its outcomes (consequences). This study provided clarity as to what engagement is, how it can be generated and maintained in a large Australian retail organisation, and the potential benefits that can be gained from engaged employees. The confirmed model offers a bridge between both academic and consultancy based initiatives, incorporating both personal outcomes and organisational outcomes, providing flexibility in measuring outcome variables which may vary in importance between organisational groups. Engagement, if effectively managed, can have a positive impact on organisations at both the organisational and individual level. As a human resource tool, the developed engagement survey (measuring engagement and predictors) provides a measure for how employees perceive their work environment and how this perception affects employees' relationships with their organisation. The application of the engagement measure and model in similar organisations has the potential to influence the wellbeing of the individuals and organisations and to impact on workplace policies and processes.

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Appendix A: Interview Schedules

Current Employee interview Schedule

Interview duration – 45 – 1 hour.

Name:

Position /s:

Length of time at the company:

Age:

General Questions.

1. Tell me, what made you decide to work for Walkabout?

Probes: The position offered

The culture

The pay

2. When considering your work here at Walkabout, is it the people, the job, or the organisation that is most important to you?

*3. How does working for Walkabout compare to other companies you have worked for?⁴⁸

Probes: How is Walkabout different – Culture

Business systems

Attitude / Philosophy

The organisation.

4. People talk about employee engagement in different contexts. What does employee engagement mean at Walkabout?

Probes: Is it related to people's attitudes

Does it relate to people's behaviour

Is it a type of feeling people experience while working

⁴⁸ Questions with * will only be asked if there is time.

5. When it comes to employee engagement Walkabout has a very good reputation.

What does the Walkabout organisation do to produce such high levels of engagement?

Probes: Is it how the place is run

Something about the culture

Is it to do with the people

6. The results for the Hewitt survey came out the beginning of July, and Walkabout was no longer the joint winner, but still in the top five. What do you think might have caused this drop off in engagement?

Probes: Changes in the company

Changes in the industry

7. The company itself has grown tremendously over the last 25 years. But the industry has experienced a few set backs, especially recently. What is it about Walkabout that has helped it pull through and continue to thrive?

Probe: What makes Walkabout resilient?

8. Walkabout is a company of constant change. Are there any standout experiences that you have had, or seen that have had a major impact on general engagement levels?

Probes: Changes in culture

Changes in policy

Changes in structure

9. Is there anything you can think of that Walkabout could do differently that may enhance engagement within the organisation even further?

Probes: Where is there room for improvement

Are there barriers that could be removed

10. In regards to engagement at Walkabout, which position within the company has the most influence on engagement levels?

11. If we were to look at employee engagement and the impact of leadership – which leadership style in your opinion has the greatest impact on employee engagement?

Commitment.

12. In recent years commitment has been as strong as 60 – 70%. What is it about

Walkabout that makes people want to stay?

*13. In what division is commitment the strongest. What may be different about this area?

Staff turnover.

14. In recent years, staff turnover has been hovering around 30 – 40%. What is your opinion about turnover at Walkabout?

Probe: What do you think might be the reasons for these levels

*15. I have noticed that turnover seems to be highest in the corporate division. Why do you think this might be?

*16. Why do you think staff tend to leave Walkabout?

Individuals.

17. What types of people tend to thrive at Walkabout?

Probe: Do they have a certain personality

*18. Are there any standout qualities these individuals tend to have?

Probes: The way they work

How they communicate with others

Their attitude

19. The company philosophy refers to its people, and the importance of personal and professional development. What types of personal qualities does Walkabout nurture?

Probe: How have you seen people grow as individuals

20. What types of professional qualities does Walkabout nurture?

Probe: How has working at Walkabout made you a better employee

You.

*21. There must be times when there have been ups and downs in the organisation.

Can you think of a time when things seem to really flow well, when you felt absorbed by your work, and really enjoying the process?

Probes: Did it involve a specific change

Particular people

The nature of the work you were doing

*22. On the other hand, has there been any particular time during your career at Walkabout when things haven't flowed, where you have felt some what removed from what you were doing, or trying to achieve?

Probes: Were you tired, distracted, unmotivated

Were there specific circumstances

Closing.

23. We are near the end of our session here. Are there any comments you would like to add?

Probe: Is there anything we have left out?

Former Employee Interview Schedule

Interview duration – 45 – 1 hour.

Name:

Position /s:

Length of time at the company:

Age:

General questions.

1. Tell me, what made you decide to work for Walkabout?

Probes: The position offered

The culture

The pay

1a. Is it what you expected?

2. When you worked at Walkabout, was it the people, the job, or the organisation that were most important to you?

*3. How did Walkabout compare to other companies you have worked for?

Probes: How is Walkabout different – Culture

Business systems

Attitude / Philosophy

The organisation.

4. People talk about employee engagement in different contexts. In your view, what does employee engagement mean?

4a. At Walkabout they talk about employee engagement quite a lot, what did they mean by this?

5. When it comes to employee engagement, Walkabout has a very good reputation. What does the Walkabout organisation do to produce such high levels of engagement?

Probes: Is it how the place is run

Something about the culture

Is it to do with the people

5a. Did those particular engagement drivers work for you?

Probe: Did you feel engaged working for Walkabout?

5b. Was there anything particular about your time at Walkabout that really helped you enjoy your work?

5c. Was there anything special that prevented you from enjoying your time there? 6. The results for the Hewitt survey for “Best Employer to work for in Australia” came out the beginning of July, and Walkabout was no longer the joint winner, but still in the top five. What do you think might have caused this drop off in engagement?

Probe: Changes in the company

Changes in the industry

7. The company itself has grown tremendously over the last 25 years. But the industry has experienced a few set backs, especially recently. What is it about Walkabout that has helped it pull through and continue to thrive?

Probe: What makes Walkabout resilient

*8. Walkabout is a company of constant change. Are there any standout experiences that you have had, or seen that have had a major impact on general engagement levels?

Probes: Changes in culture

Changes in policy

Changes in structure

9. Is there anything you can think of that Walkabout could do differently that may enhance engagement within the organisation even further? (What could be done better)

Probes: Where is there room for improvement

Are there barriers that could be removed

9a. If you were still there, what would you change at Walkabout to make your time there more enjoyable?

10. In regards to engagement at Walkabout, which position within the company has the most influence on engagement levels?

11. If we were to look at employee engagement and the impact of leadership – which leadership style in your opinion has the greatest impact on employee engagement?

11a. How did you experience the leadership at Walkabout?

Commitment.

12. In recent years commitment has been as strong as 60 – 70%. What is it about

Walkabout that makes people want to stay?

*13. In what division is commitment the strongest. What may be different about this area?

Staff turnover.

14. In recent years, staff turnover has been hovering around 30 – 40%. What is your opinion about turnover at Walkabout?

Probe: What do you think might be the reasons for these levels

15. Why did you leave Walkabout?

15a. Can you think of other reasons why people tend to leave the company?

16. If it were up to you, what would you do at Walkabout to encourage people to stay with the company?

Individuals.

17. What types of people tend to thrive at Walkabout?

Probe: Do they have a certain personality

17a. Were there people that didn't quite fit in?

18. The company philosophy refers to its people, and the importance of personal and professional development. What types of personal and professional qualities does

Walkabout nurture?

Probe: How have you seen people grow as individuals

18a. Was this your experience?

You.

*19. There must have been times of ups and downs at Walkabout. Can you think of a time when things seemed to really flow well, when you felt absorbed by your work, and really enjoying the process?

Probes: Did it involve a specific change

Particular people

The nature of the work you were doing

*20. On the other hand, was there any particular time during your career at

Walkabout when things didn't flow, where you felt some what removed from what you were doing, or trying to achieve?

Probes: Were you tired, distracted, unmotivated

Were there specific circumstances

Closing.

21. We are near the end of our session here. Are there any comments you would like to add?

Probe: Is there anything we have left out

Appendix B. Original Coding Trees

To follow are the original coding trees used in the theme analysis process when analyzing the employee interviewees.

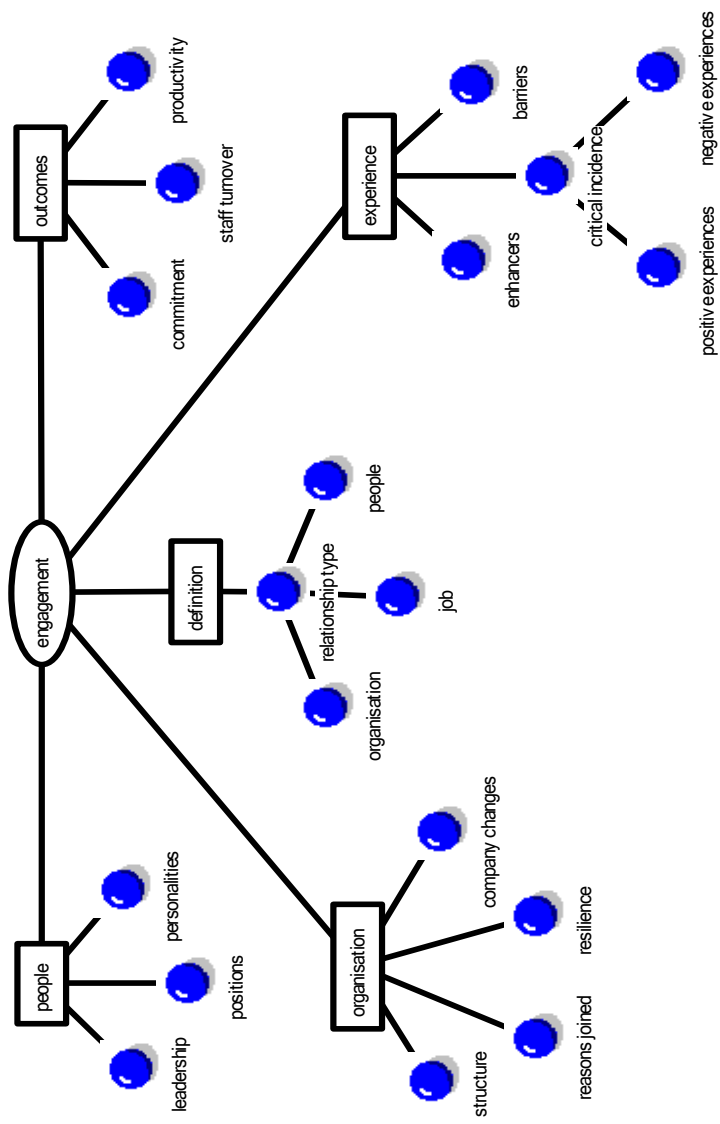


Figure B.1. Coding tree for engagement: its definition and relationship. The rectangle items represent main categories (parent nodes), and the balls represent sub categories (child nodes). These categories were derived from the literature reviewed in chapter two.

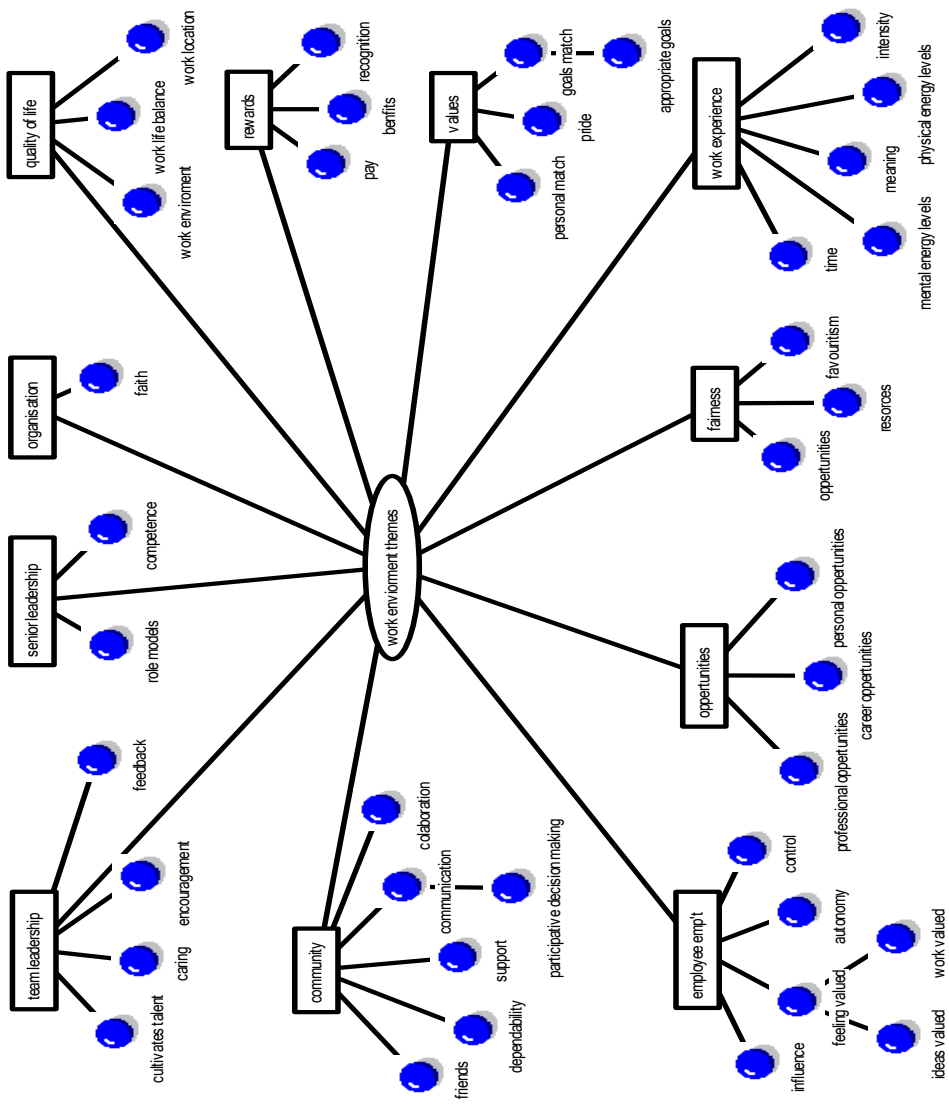


Figure B.2. Coding tree for engagement drivers. The rectangle items represent main categories (parent nodes), and the balls represent sub categories (child nodes). These categories were derived from the literature reviewed in chapter two.

Appendix C. Final Coding Tree

To follow is the revised coding tree used to illustrate the final themes identified in the employee interviews.

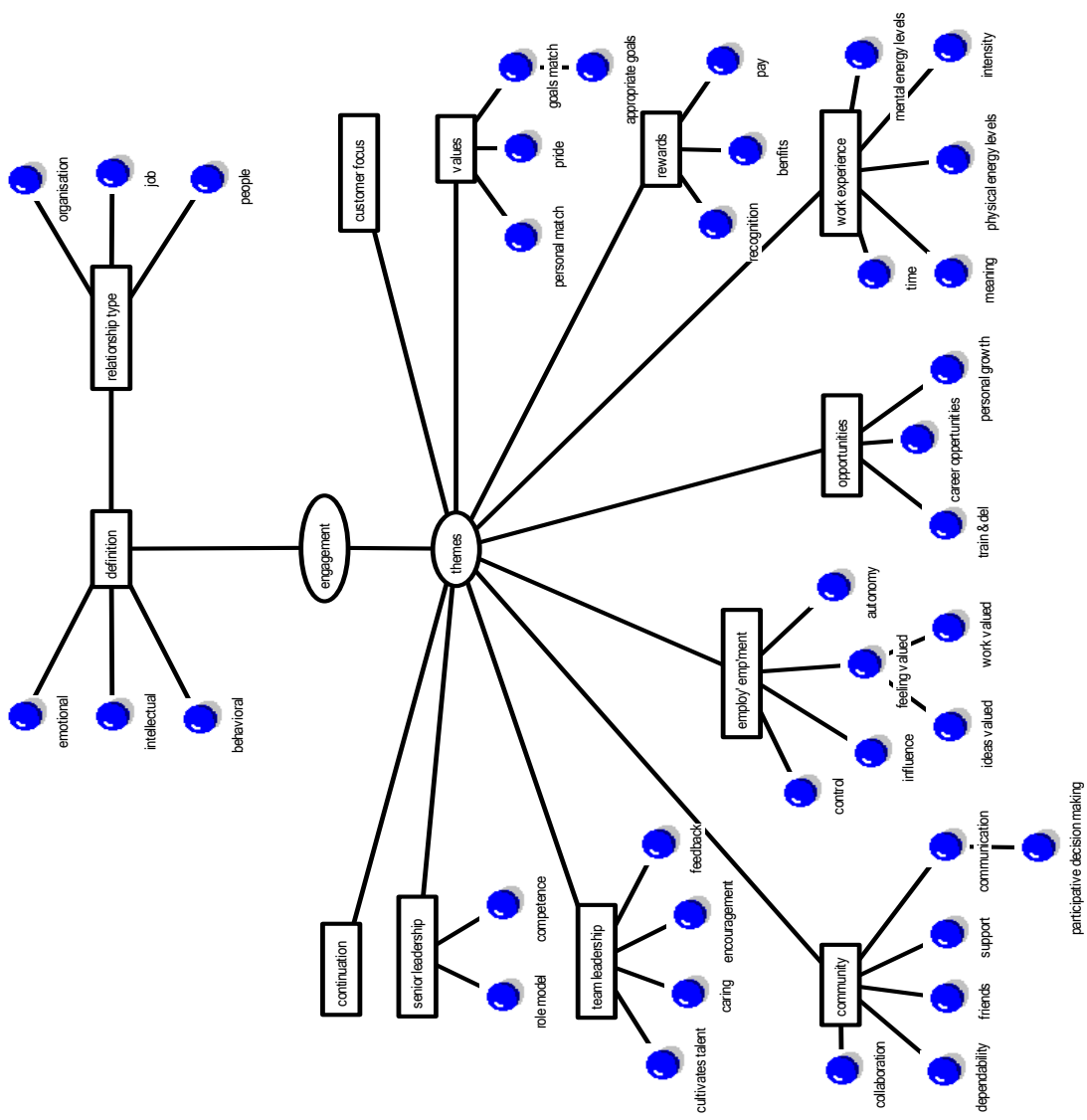


Figure C.1. The final coding tree which lists the themes and variables used in theme identification. The eclipse shaped variables represent the two main aspects of the coding tree. The square boxes represent the 12 identified themes, and the balls represent the variables included within each theme.

Appendix D: Survey Invitation

Letter of Invitation

We need your opinion!

You have been selected as one of ____ employees to participate in this valuable research.

Walkabout* has been chosen as a case study for a PhD thesis because of the unique way in which it creates employee engagement. Researchers from Bond University are keen to know how you experience employee engagement here – what works and what doesn't work. Your input will go towards designing an official engagement survey as well as providing Walkabout* with some specific information on how well we are doing in the engagement stakes and where we can change things to make this company an even better place to work.

To let you know how much we appreciate your time and valuable feedback the

Researchers at Bond University and Walkabout* will be giving away prizes to those who wish to be included in the draw.

Prizes include a weekend for two at either O'Reillys Rainforest Retreat - one of

Australia's premier eco tourism resorts (see www.oreillys.com.au), or Huntley House

– a new 5+ star boutique lodge in Christchurch, New Zealand (see www.huntleyhouse.co.nz). Either choice will give you a luxury package with over

\$850. Additional prizes include 5 massages and 5 personal training sessions provided by Healthwise.

To give your opinion on how you feel about engagement at Walkabout* click ([survey link](#)). Thanks for participating. Your feedback is very helpful.

(to go in front of the online engagement survey)

This survey is a key part of an independent research project being conducted by PhD candidate; Genevieve Edmond⁴⁹, under the supervision of Dr Richard Hicks, from Bond University QLD.

Walkabout* has been chosen as a case study because of its unique way in which it creates employee engagement. We want to understand how it works, and based on your opinion, how things could be improved. The results will go towards developing an official engagement survey as well as providing a valuable business case on employee engagement from which others can learn.

Completing the survey will take approximately 15 minutes. We know your time is valuable; therefore survey length has been kept to a minimum. If some questions seem repetitive, be assured each has been scrutinised for its contribution to the final results.

Your participation will be anonymous and results will be reported on an Area basis. No individual information will be disclosed. Raw data from the project will be stored for five years under conditions prescribed by University regulations.

Please note that if you want to be included in the prize draw you will need to provide some contact information (name is optional). Only the Researchers will have access to this contact information which will only be used for distributing prizes.

Should you have any complaint concerning the manner in which this research project R0342 is conducted, please address your concerns to: The Complaints Officer, Bond University Human Research Ethics Committee, Bond University Research Institute, Ground Floor, Commercial Centre, Bond University Gold Coast,

⁴⁹ Researcher's maiden name

4229. Telephone (07) 5595 4194 Fax (07) 5595 5009. Email:
buhrec@bond.edu.au

Thanks again for your participation. Your input will make an important contribution to understanding employee engagement and how to create better workplaces.

Appendix F. Demographic Statistics for Engagement Survey Participants

Table F.1.

Participant gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
FEMALE	301	73.4	76.4	76.4
MALE	93	22.7	23.6	100.0
Total	394	96.1	100.0	
Missing	16	3.9		
Total	410	100.0		

Table F.2.

Participant age including mean and range

	N	Minimum	Maximum	Mean
AGE	378	19.00	56.00	30.2963
Valid N (listwise)	378			

Table F.3.

Participant length of tenure broken down into categories

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
less than 3 months	32	7.8	8.1	8.1
between 3 - 6 months	37	9.0	9.4	17.6
between 6 - 12 months	32	7.8	8.1	25.7
between 12 - 18 months	47	11.5	12.0	37.7
between 18 - 24 months	41	10.0	10.4	48.1
between 2 - 3 years	52	12.7	13.2	61.3
between 3 - 5 years	46	11.2	11.7	73.0
between 5 - 10 years	78	19.0	19.8	92.9
between 10 - 15 years	21	5.1	5.3	98.2
more than 15 years	7	1.7	1.8	100.0
Total	393	95.9	100.0	
Missing	17	4.1		
Total	410	100.0		

Table F.4.

Participant position level of authority

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
team member	295	72.0	74.9	74.9
team leader	80	19.5	20.3	95.2
area or nation leader	17	4.1	4.3	99.5
regional or global leader	2	.5	.5	100.0
Total	394	96.1	100.0	
Missing	16	3.9		
Total	410	100.0		

Table F.5.

Participant employment status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
full time employment	358	87.3	90.9	90.9
part time employment	19	4.6	4.8	95.7
casual employment	12	2.9	3.0	98.7
contract	5	1.2	1.3	100.0
Total	394	96.1	100.0	
Missing	16	3.9		
Total	410	100.0		

Table F.6.

Participant spread across division

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
corporate	46	11.2	12.0	12.0
retail	167	40.7	43.6	55.6
support	170	41.5	44.4	100.0
Total	383	93.4	100.0	
Missing	27	6.6		
Total	410	100.0		

Appendix G. Means and Standard Deviations for Demographic Variables
(tenure, age, position)

Table G.1.

Age

Descriptives

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		
					Lower Bound	Upper Bound	Minimum
19 to 29	186	10.3898	3.31172	.24283	9.9107	10.8689	5.00
30 to 39	156	10.2468	3.00080	.24026	9.7722	10.7214	5.00
40+	34	10.0000	2.95420	.50664	8.9692	11.0308	5.00
Total	376	10.2952	3.14864	.16238	9.9759	10.6145	5.00

Table G.2.

Tenure

Descriptives

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		
					Lower Bound	Upper Bound	Minimum
less than 3 mths	32	9.1563	2.64098	.46686	8.2041	10.1084	5.00
bw 3-6 mths	37	10.1081	2.66441	.43803	9.2197	10.9965	5.00
bw 6-12 mths	31	10.1290	3.98114	.71503	8.6687	11.5893	5.00
bw 12-18 mths	47	11.1702	3.81826	.55695	10.0491	12.2913	5.00
bw 18-24 mths	41	11.9268	3.69046	.57635	10.7620	13.0917	5.00
bw 2-3 yrs	52	10.7788	2.69242	.37337	10.0293	11.5284	5.00
bw 3-5 yrs	46	9.7717	2.80418	.41345	8.9390	10.6045	5.00
bw 5-10 yrs	78	10.2051	2.65975	.30116	9.6054	10.8048	5.00
greater than 10 y	27	8.9259	2.81378	.54151	7.8128	10.0390	5.00
Total	391	10.3376	3.16266	.15994	10.0231	10.6521	5.00

Table G.3.

Position level

Descriptives

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		
					Lower Bound	Upper Bound	Minimum
team member	293	10.5392	3.14833	.18393	10.1773	10.9012	5.00
team leader	80	9.8625	3.07601	.34391	9.1780	10.5470	5.00
area or nation leader	17	9.1765	3.30218	.80090	7.4786	10.8743	5.00
regional or global lead	2	10.0000	5.65685	4.00000	-40.8248	60.8248	6.00
Total	392	10.3393	3.15879	.15954	10.0256	10.6530	5.00

Appendix H. Interaction Effects Between Age, Tenure, and Position level on
Engagement Scores

Tests of Between-Subjects Effects

Dependent Variable: F.engage.5

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	690.630 ^a	54	12.789	1.352	.061	.186
Intercept	3695.044	1	3695.044	390.674	.000	.550
tenure	172.349	8	21.544	2.278	.022	.054
age	20.322	2	10.161	1.074	.343	.007
position	48.825	3	16.275	1.721	.163	.016
tenure	102.863	15	6.858	.725	.759	.033
tenure*position	157.465	12	13.122	1.387	.170	.049
age*position	71.665	4	17.916	1.894	.111	.023
tenure*age*position	104.162	9	11.574	1.224	.279	.033
Error	3026.603	320				
Total	43449.500	375				
Corrected Total	3717.233	374				

a. R Squared = .186 (Adjusted R Squared = .048)

Appendix I. The Determinants for the Number of Factors Extracted

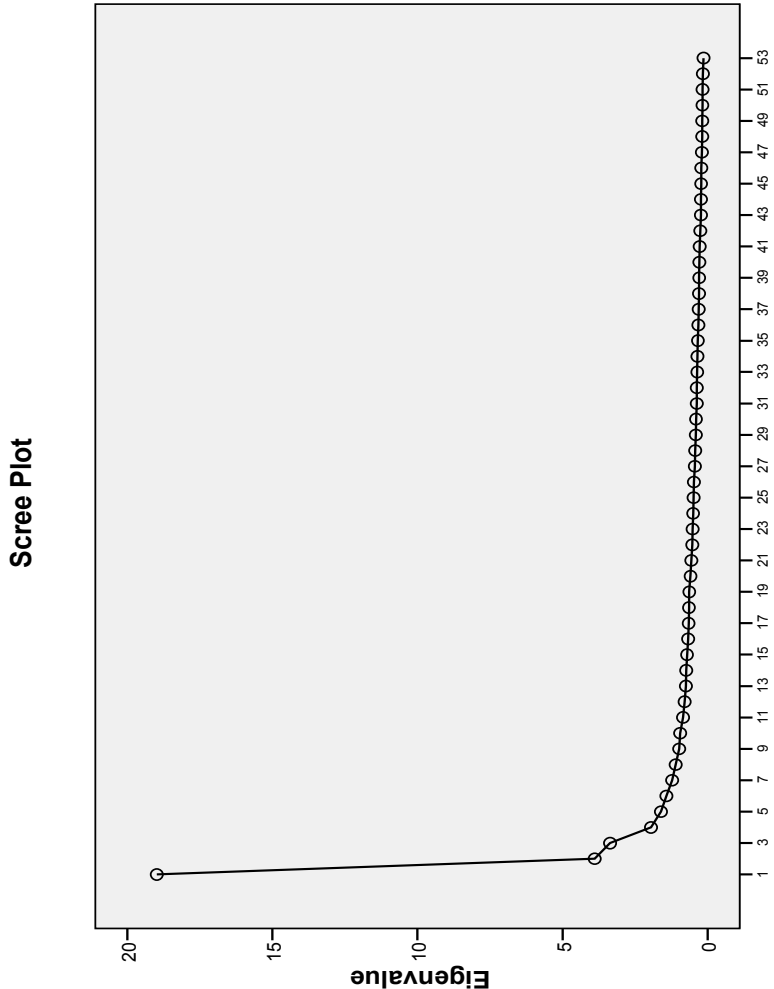


Figure I1. Scree plot. Suggested four factors retained.

Table I.1.
Parallel analysis.

<i>Eigenvalue</i>	<i>Random Eigenvalue</i>
1	1.26
2	1.18
3	1.12
4	1.07
5	1.02
6	0.97
7	0.92
8	0.88
9	0.83
10	0.77

Suggested 10 factors retained. Number of variables 10. Number of subjects: 392.
Number of replications: 100

Table I.2.
Kaiser's criterion.

Initial Eigenvalues			
Factor	Total	% of Variance	Cumulative %
1	18.99	35.83	35.83
2	3.89	7.34	43.17
3	3.36	6.34	49.50
4	1.95	3.68	53.18
5	1.60	3.02	56.20
6	1.42	2.67	58.88
7	1.22	2.30	61.18
8	1.10	2.07	63.25
9	0.98	1.84	65.09
10	0.94	1.77	66.87

Appendix J: Pattern Matrix and Structural Matrix for Exploratory Factor Analysis

Table J.1.

Pattern matrix for eight factor solution

	Pattern Matrix ^a							
	1	2	3	4	5	6	7	8
B-SMM51	.768							
B-SMM53	.757							
B-SMM50	.742							
B-SMM52	.691							
B-SMM55	.638							
B-SMM54	.567							
BV*MAT49								
B-EXC61								
BR*REC78								
B-IMM37		.846						
B-IMM44		.800						
B-IMM41		.797						
B-IMM42		.759						
B-IMM39		.752						
B-IMM43		.731						
B-IMM38		.629						
B-IMM45		.588						
BC*CAM28								
BC*COL27			.813					
BW*INT2			.808					
BW*WLB7			.751					
BW*WLB12			.687					
BW*INT17			.559					
BW*INT1			.427					
BW*INT14			.405					
B-EXC56				-.786				
B-LEVE74				-.782				
B-LEVE79				-.546				
B-LEVE9				-.542				
BOP*CO73				-.508				
BW*QAL10								
BW*QAL16								
BOP*PG30								
BV*MAT18								
BW*QAL4					.688			
B-CUS67					.637			
B-CUS58					.514			
B-CUS62								
BC*COM65								
BC*CAM24								
BC*COM29								
BOP*TD31						-.572		
BOP*TD22						-.555		
BC*COL23						-.418		
BC*COM32								
BOP*TD26								
BR*PAY5							.799	
BR*PAY21							.679	
BR*PAY64							.496	
BR*REC13								
B-EMP33								.593
B-EMP35								.575
B-EMP36								.523
B-EMP80								

Extraction Method: Principal Axis Factoring.
Rotation Method: Oblimin with Kaiser Normalization.
a. Rotation converged in 14 iterations.

Table J.2.

Structural matrix for eight factor solution

Structure Matrix								
	Factor							
	1	2	3	4	5	6	7	8
B-SMM52	.834			-.495	.474		.494	
B-SMM53	.819				.442		.415	
B-SMM50	.812				.468		.402	
B-SMM51	.805			-.427				
B-SMM55	.803			-.473	.473		.534	
B-SMM54	.756				.556	-.419	.448	
B-EXC61	.636			-.437	.536		.498	
BV*MAT49	.606				.504		.478	
B-IMM44		.850						
B-IMM37		.845						
B-IMM41		.802						
B-IMM39		.789						
B-IMM43		.752						
B-IMM42		.750						.407
B-IMM45		.717		-.464				
B-IMM38		.652						
BC*COL27		.510		-.453				.496
BC*CAM28		.449						.432
BW*INT2			.814					
BW*WLB7			.798					
BW*WLB12			.789					
BW*INT17			.688					
BW*INT1			.672	-.442			.441	
BW*INT14			.572				.516	
B-EXC56	.469		.548	-.443			.485	
B-LEVE79	.427			-.846			.493	
B-LEVE74				-.813			.419	
BOP*CO73	.515			-.766		-.404	.583	.423
BW*QAL10	.431			-.713		-.452	.514	.491
B-LEVE9				-.698			.481	.405
BOP*PG30	.406	.401		-.605		-.470	.459	.547
BW*QAL16				-.592			.415	.548
BR*REC78	.580	.453		-.585			.570	.516
BW*QAL4				-.461				
BV*MAT18				-.428				
B-CUS67					.742			
B-CUS58	.448				.723			
B-CUS62	.440				.603			
BC*COM65	.541				.586		.492	
BC*COM32	.472				.555	-.546		
BC*CAM24	.420	.444		-.434	.508		.411	.483
BC*COM29					.451	-.425		
BOP*TD31	.434					-.696		
BOP*TD22	.422	.403		-.419		-.679		
BC*COL23	.596				.540	-.616	.406	
BOP*TD26						-.430		
BR*PAY5				-.454			.833	
BR*PAY21			.409	-.417			.721	
BR*PAY64	.552				.448		.661	
BR*REC13	.510	.471		-.476		-.412	.610	.699
B-EMP35		.452						.680
B-EMP33								.648
B-EMP36		.448		-.410				.462
B-EMP80								

Extraction Method: Principal Axis Factoring.

Rotation Method: Oblimin with Kaiser Normalization.

Appendix K. Engagement Survey

The engagement survey includes an engagement scale and a drivers scale.

Note: for future survey use “Walkabout” should be replaced by the name of the organisation being surveyed.

The survey is designed to be measured on a five point Likert scale ranging from strongly agree, to strongly disagree.

Engagement Scale

Scale:

1. I believe in Walkabout's values (philosophies)
2. Walkabout's values (philosophies) are a good match with my own personal values
3. I care about Walkabout's long term success
4. I am personally motivated to help Walkabout succeed
5. I fully support Walkabout's goals and objectives

Driver Scale

Items for the senior leadership sub scale:

1. Senior management consider employees' interests in the decisions they make
2. Senior management are good role models for Walkabout's values (philosophies)
3. Senior management are open to new ideas and ways of doing things
4. Senior management treat employees as Walkabout's most valued asset
5. Senior management communicate a clear vision for Walkabout's future
6. I trust in the competency of our senior leaders to run Walkabout successfully

Items for the team leadership sub scale:

1. My immediate manager has the necessary skills to lead our team
2. My immediate manager provides me with the feedback I need to do my job well
3. My immediate manager provides clear goals for me to work towards
4. My immediate manager acknowledges my work efforts
5. My immediate manager is approachable
6. My immediate manager consults employees before making changes that affect them
7. My immediate manager helps me match my career goals with Walkabout's needs
8. My immediate manager holds people accountable for their performance

Items for work demands sub scale:

1. I am comfortable with the amount of hours I work
2. The balance between work and personal commitments is right for me
3. I get enough downtime from work to recharge myself
4. I have enough time during the work day to do what is expected of me
5. Work demands that are placed on me are reasonable
6. The effort required to meet my targets is sustainable
7. I experience a fair balance of give and take between Walkabout and myself

Items for continuation sub scale:

1. I will probably look for a new job with another company in the next year ®
2. I often think about leaving Walkabout ® I can fulfil my career goals at Walkabout
3. My job provides me with a positive challenge

4. If I had to leave work (due to pregnancy, travel etc) I would consider coming back to work here

Items for customer focus sub scale:

1. Walkabout understands what is important to its customers
2. Walkabout adapts to the changing needs of its customers
3. Walkabout works to exceed customer expectations

Items for work support sub scale:

1. I get the training required to address new work responsibilities
2. I am encouraged to participate in additional training that will forward my career
3. The different departments within Walkabout work together to achieve company goals

Items for financial rewards sub scale:

1. I am rewarded fairly for my work achievements
2. I am fairly paid for the contribution I make to Walkabout's success
3. Walkabout's reward structure is aligned with what the company is trying to achieve

Items for employee empowerment sub scale:

1. I feel trusted to get on and do the work expected of me
2. At work, my ideas and opinions count
3. I have the authority to make the decisions necessary to do my job well

Appendix L. Mean Drivers Scores Across Divisions (corporate, retail, and support)

Descriptive Statistics				
	Nation.3.numeric	Mean	Std. Deviation	N
senior ldship	1.00	15.1556	5.46458	45
	2.00	14.0344	4.57506	160
	3.00	16.3567	5.74904	164
	Total	15.2033	5.33300	369
team ldship	1.00	16.4444	6.62487	45
	2.00	16.0000	5.70446	160
	3.00	16.6982	6.87768	164
	Total	16.3645	6.35354	369
work demands	1.00	18.0222	5.41668	45
	2.00	19.4188	5.56660	160
	3.00	17.5061	5.33825	164
	Total	18.3984	5.50850	369
work support	1.00	10.5111	5.03001	45
	2.00	10.5281	3.92190	160
	3.00	11.1463	4.99846	164
	Total	10.8008	4.56434	369
employee empowerment	1.00	6.4000	1.65694	45
	2.00	6.3375	1.83908	160
	3.00	7.0213	2.22531	164
	Total	6.6491	2.02350	369
continuation	1.00	8.1333	2.95881	45
	2.00	7.0625	2.46660	160
	3.00	8.2927	2.68597	164
	Total	7.7398	2.68805	369
customer focus	1.00	7.3333	2.50454	45
	2.00	7.5688	2.47344	160
	3.00	7.8171	2.76094	164
	Total	7.6504	2.60716	369
financial rewards	1.00	5.5333	2.15955	45
	2.00	5.6406	1.92401	160
	3.00	6.1037	2.28255	164
	Total	5.8333	2.12708	369

Appendix M: Internal Reliability for Driver Variables

Statistics for senior leadership

Table M.1.

Reliability Statistics: Senior leadership

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.927	.927	6

Table M.2.

Inter-Item Correlation Matrix: Senior leadership

	B-SMM51	B-SMM53	B-SMM50	B-SMM52	B-SMM55	B-SMM54
B-SMM51	1.000	.671	.711	.712	.620	.623
B-SMM53	.671	1.000	.678	.719	.719	.654
B-SMM50	.711	.678	1.000	.772	.637	.608
B-SMM52	.712	.719	.772	1.000	.699	.691
B-SMM55	.620	.719	.637	.699	1.000	.690
B-SMM54	.623	.654	.608	.691	.690	1.000

Statistics for team leadership

Table M.3.

Reliability Statistics: Team leadership

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.920	.921	8

Table M.4.

Inter-Item Correlation Matrix: Team leadership

	B- IMM37	B- IMM44	B- IMM41	B- IMM42	B- IMM39	B- IMM43	B- IMM38	B- IMM45
B-IMM37	1.000	.682	.663	.680	.637	.643	.602	.586
B-IMM44	.682	1.000	.713	.596	.684	.647	.571	.675
B-IMM41	.663	.713	1.000	.534	.638	.576	.564	.648
B-IMM42	.680	.596	.534	1.000	.635	.591	.425	.489
B-IMM39	.637	.684	.638	.635	1.000	.571	.539	.563
B-IMM43	.643	.647	.576	.591	.571	1.000	.432	.562
B-IMM38	.602	.571	.564	.425	.539	.432	1.000	.459
B-IMM45	.586	.675	.648	.489	.563	.562	.459	1.000

Statistics for work demands

Table M.5.

Reliability Statistics: Work demands

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.876	.875	7

Table M6.

Inter-Item Correlation Matrix: Work demands

	BW*INT 2	BW*WLB 7	BW*WLB 12	BW*INT 17	BW*INT 1	BW*INT 14	B- EXC56
BW*INT2	1.000	.692	.604	.576	.617	.422	.409
BW*WLB7	.692	1.000	.679	.516	.530	.396	.427
BW*WLB12	.604	.679	1.000	.529	.491	.518	.482
BW*INT17	.576	.516	.529	1.000	.442	.447	.377
BW*INT1	.617	.530	.491	.442	1.000	.506	.426
BW*INT14	.422	.396	.518	.447	.506	1.000	.429
B-EXC56	.409	.427	.482	.377	.426	.429	1.000

Statistics for continuation

Table M.7.

Reliability Statistics: Continuation

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.887	.891	5

Table M.8.

Inter-Item Correlation Matrix: Continuation

	B-LEVE74	B-LEVE79	B-LEVE9	BOP*CO73	BW*QAL10
B-LEVE74	1.000	.775	.571	.636	.529
B-LEVE79	.775	1.000	.583	.673	.573
B-LEVE9	.571	.583	1.000	.603	.616
BOP*CO73	.636	.673	.603	1.000	.638
BW*QAL10	.529	.573	.616	.638	1.000

Statistics for customer focus

Table M.9.

Reliability Statistics: Customer focus

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.779	.781	3

Table M.10.

Inter-Item Correlation Matrix: Customer focus

	B-CUS67	B-CUS58	B-CUS62
B-CUS67	1.000	.580	.498
B-CUS58	.580	1.000	.551
B-CUS62	.498	.551	1.000

Statistics for work support

Table M.11.

Reliability Statistics: Work support

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.785	.788	3

Table M.12.

Inter-Item Correlation Matrix: Work support

	BOP*TD31	BOP*TD22	BC*COL23
BOP*TD31	1.000	.608	.486
BOP*TD22	.608	1.000	.568
BC*COL23	.486	.568	1.000

Statistics for financial rewards

Table M.13.

Reliability Statistics: Financial rewards

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.783	.783	3

Table M.14.

Inter-Item Correlation Matrix: Financial rewards

	BR*PAY5	BR*PAY21	BR*PAY64
BR*PAY5	1.000	.644	.523
BR*PAY21	.644	1.000	.471
BR*PAY64	.523	.471	1.000

Statistics for employee empowerment

Table M.15.

Reliability Statistics: Employee empowerment

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.790	.790	3

Table M.16.

Inter-Item Correlation Matrix: Employee empowerment

	B-EMP33	B-EMP35	B-EMP36
B-EMP33	1.000	.543	.495
B-EMP35	.543	1.000	.630
B-EMP36	.495	.630	1.000

Appendix N: EQS Statistics for the Measurement Model including the EQS Diagram, the Goodness of Fit Summary, and the Covariance Matrix

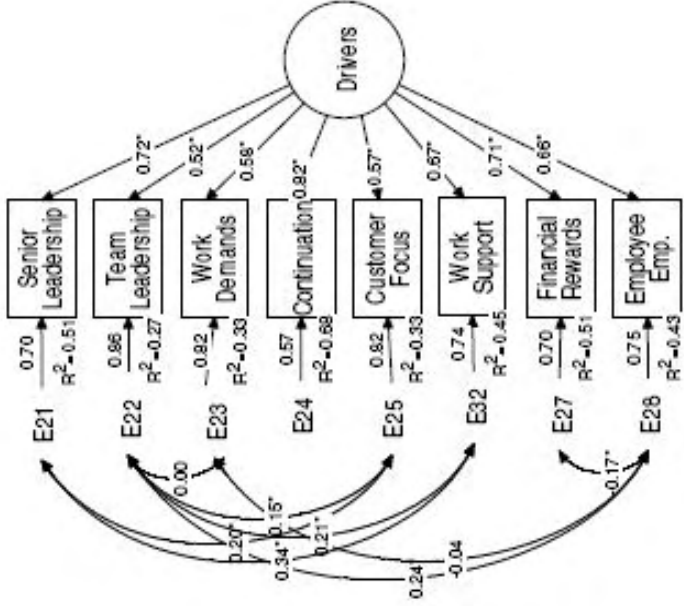


Figure N.1. EQS Diagram of the Engagement Measurement Model

Table N.1.
Goodness of fit summary for engagement measurement model, N= 373.

Fit indices	Fit values
Chi-square	35.89, p<.001
Bentler – bonett normed	0.97
Bentler – bonett nonnormed	0.95
Comparative fit index (CFI)	0.98
Bollen (IFI)	0.98
McDonald (MFI)	0.97
Lisrel GFI	0.98
Lisrel AGFI	0.93
Root mean sq residual (RMR)	0.02
Standardized RMR	0.03
Root mean sq error of app (RMSEA)	0.07
90% confidence interval of RMSEA	0.04

Table N.2.

Covariance matrix of 8 driver variables. N = 373.

Variables	Senior Lship	Team Lship	Work demands	Continuation	Customer focus	Financial rewards	Employee empt	Work support
Senior Lship	1.10							
Team Lship	0.29	0.61						
Work demands	0.3	0.18	0.62					
Continuation	0.55	0.32	0.33	0.82				
Customer focus	0.39	0.11	0.15	0.29	0.45			
Financial rewards	0.47	0.23	0.35	0.45	0.21	0.74		
Employee empt	0.35	0.27	0.19	0.34	0.18	0.22	0.48	
Work support	0.59	0.30	0.22	0.44	0.27	0.32	0.26	0.72

Appendix O: EQS Statistics for the Confirmed Engagement Theory Model Including the EQS Diagram, the Goodness of Fit Summary, and the Covariance Matrix.

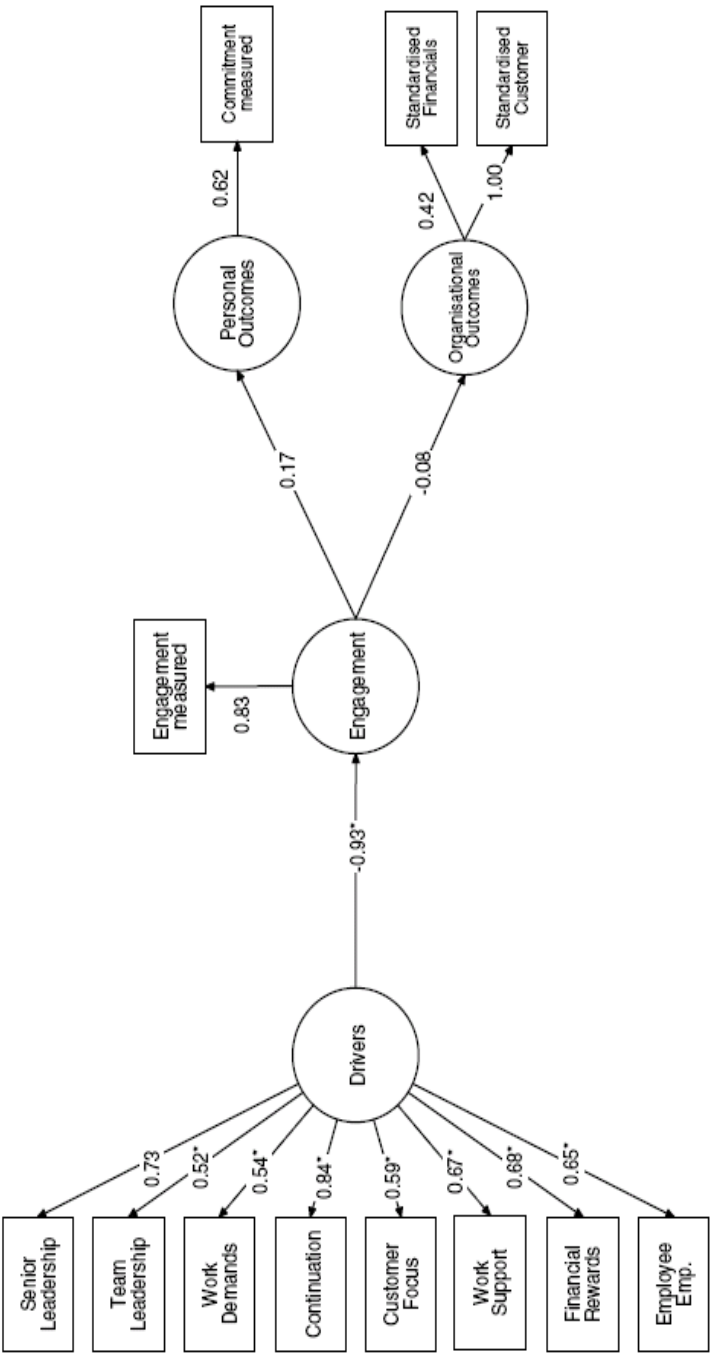


Figure O.1. EQS Diagram for the confirmed engagement theory model

Table O.1.

Goodness of fit summary for the engagement theory model, N= 373.

<i>Fit indices</i>	<i>Fit values</i>
Chi-square	99.74, p<.001
Bentler – bonett normed	0.94
Bentler – bonett nonnormed	0.94
Comparative fit index (CFI)	0.96
Bollen (IFI)	0.96
McDonald (MFI)	0.93
Lisrel GFI	0.96
Lisrel AGFI	0.92
Root mean sq residual (RMR)	0.03
Standardized RMR	0.04
Root mean sq error of app (RMSEA)	0.06
90% confidence interval of RMSEA	0.04

Table O.2. Covariance matrix of 12 selected variables. N = 373.

Variables	Senior Lship	Team Lship	Work demands	Continuation	Customer focus	Financial rewards	Employee emp't	Work support	Sd'zed financials	Sd'zed customer	Commit measure	En'gnt measure
Senior Lship	1.10											
Team Lship	0.29	0.61										
Work demands	0.3	0.18	0.62									
Continuation	0.55	0.32	0.33	0.82								
Customer focus	0.39	0.11	0.15	0.29	0.45							
Financial rewards	0.47	0.23	0.35	0.45	0.21	0.74						
Employee emp't	0.35	0.27	0.19	0.34	0.18	0.22	0.48					
Work support	0.59	0.30	0.22	0.44	0.27	0.32	0.26	0.72				
Stdzed financials	-0.01	-0.03	0.06	0.02	-0.01	0.04	-0.02	-0.03	1.02			
Stdzed customer	0.16	-0.02	-0.03	0.02	0.11	0.06	0.02	0.09	-0.20	1.00		
Commit measured	-0.04	-0.07	0.02	-0.08	-0.03	-0.04	-0.02	-0.05	0.01	-0.04	0.65	
Eg'nt measured	-0.37	-0.16	-0.22	-0.37	-0.20	-0.28	-0.22	-0.23	-0.04	-0.03	0.04	0.38

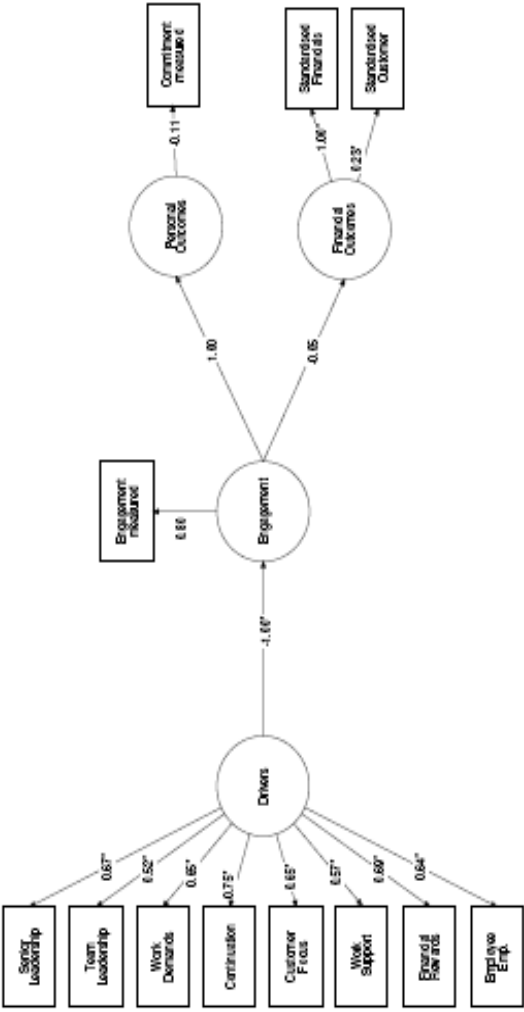


Figure P.1. EQS diagram for the retail division

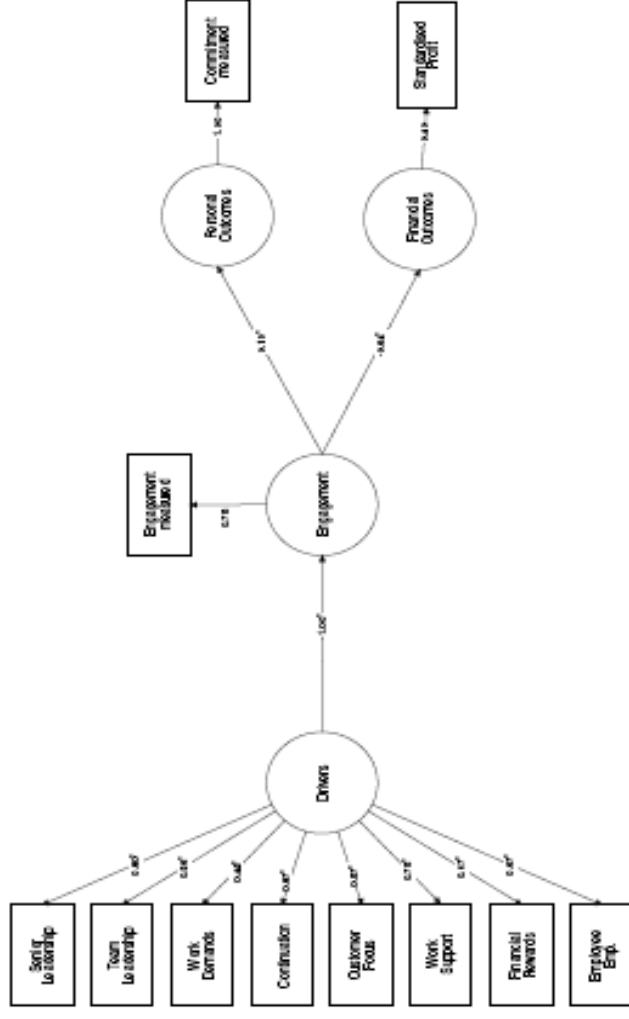


Figure P.2. EQS diagram for the support division.

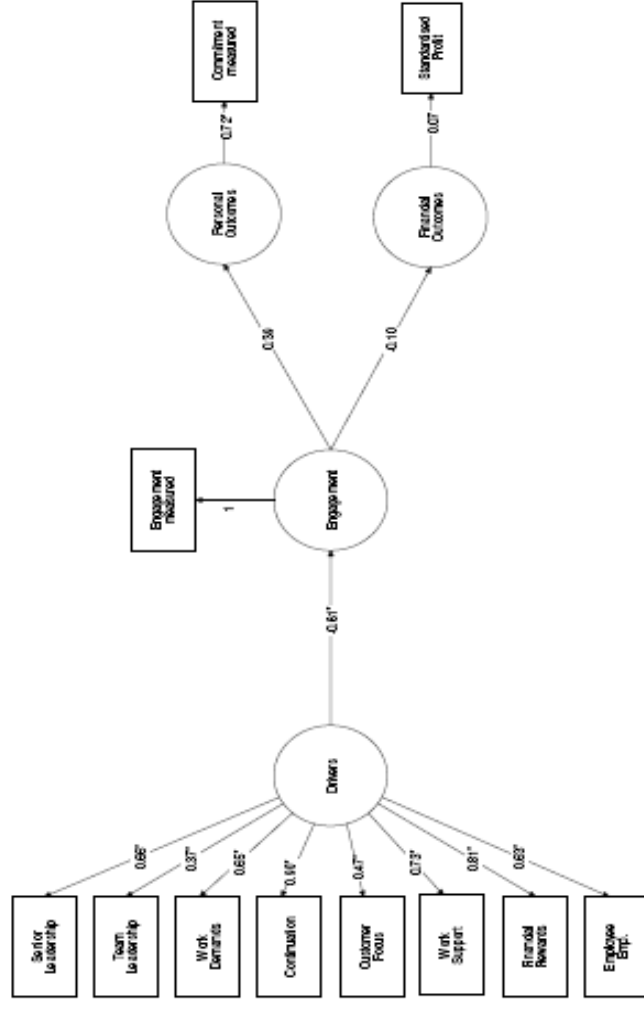


Figure P.3. EQS diagram for the corporate division

Table P.1.

Goodness of fit summary for divisions (corporate, retail and support)

Fit indices	Fit values		
	Retail n=160	Support n= 168	Corporate n=45
Chi-square	59.95, p<.001	72.80, p<.001	68.78, p<.001
Bentler – bonett normed	0.91	0.91	0.76
Bentler – bonett nonnormed	0.96	0.91	0.69
Comparative fit index (CFI)	0.97	0.95	0.83
Bollen (IFI)	0.97	0.95	0.85
McDonald (MFI)	0.95	0.89	0.65
Lisrel GFI	0.94	0.93	0.80
Lisrel AGFI	0.90	0.85	0.56
Root mean sq residual (RMR)	0.02	0.03	0.07
Standardized RMR	0.05	0.05	0.09
Root mean sq error of app (RMSEA)	0.05	0.09	0.17
90% confidence interval of RMSEA	0.01	0.06	0.12

Table P.2.

Covariance matrix of 12 selected variables for the retail division $n = 160$.

Variables	Senior Lship	Team Lship	Work demands	Continuation	Customer focus	Financial rewards	Employee emp't	Work support	Sd'zed financials	Sd'zed customer	Commit measure	Engnt measure
Senior Lship	0.82											
Team Lship	0.26	0.45										
Work demands	0.31	0.15	0.64									
Continuation	0.32	0.22	0.34	0.61								
Customer focus	0.27	0.14	0.21	0.29	0.37							
Financial rewards	0.32	0.15	0.40	0.34	0.22	0.67						
Employee emp't	0.25	0.17	0.20	0.24	0.16	0.19	0.41					
Work support	0.43	0.24	0.23	0.28	0.25	0.22	0.14	0.59				
Stdzed financials	0.05	0.00	-0.02	0.02	0.03	-0.01	0.02	0.06	0.44			
Stdzed customer	0.00	-0.01	-0.02	0.01	0.00	0.00	0.00	0.00	0.03	0.05		
Commit measured	0.06	0.03	0.05	0.05	0.03	0.05	0.05	0.04	-0.07	0.00	0.65	
Engnt measured	-0.29	-0.16	-0.24	-0.28	-0.17	-0.28	-0.21	-0.17	-0.01	0.00	0.04	0.38

Table P.3.

Covariance matrix of 12 selected variables for the support division n= 168

Variables	Senior Lship	Team Lship	Work demands	Continuation	Customer focus	Financial rewards	Employee emp't	Work support	Commit measured	Eg'nt measured	Stdzied profit
Senior Lship	1.26										
Team Lship	0.34	0.71									
Work demands	0.31	0.19	0.58								
Continuation	0.74	0.41	0.31	0.95							
Customer focus	0.50	0.08	0.14	0.36	0.54						
Financial rewards	0.61	0.30	0.32	0.51	0.21	0.83					
Employee emp't	0.42	0.37	0.17	0.41	0.20	0.21	0.54				
Work support	0.61	0.38	0.23	0.51	0.25	0.40	0.36	0.68			
Commit measured	-0.11	-0.16	-0.06	-0.18	-0.04	-0.08	-0.03	-0.09	0.71		
Eg'nt measured	-0.43	-0.19	-0.19	-0.41	-0.24	-0.24	-0.23	-0.25	0.10	0.38	
Stdzied profit	0.25	0.13	0.08	0.21	0.02	0.24	0.13	0.12	-0.11	-0.09	0.38

Table P.4

Covariance matrix of 12 selected variables for the corporate division n= 45

Variables	Senior Lship	Team Lship	Work demands	Continuation	Customer focus	Financial rewards	Employee emp't	Work support	Commit measured	Eg'nt measured	Stdzied profit
Senior Lship	1.18										
Team Lship	0.11	0.66									
Work demands	0.46	0.35	0.58								
Continuation	0.59	0.36	0.46	1.10							
Customer focus	0.26	0.06	0.12	0.25	0.36						
Financial rewards	0.47	0.24	0.35	0.65	0.17	0.68					
Employee emp't	0.33	0.27	0.26	0.44	0.15	0.39	0.50				
Work support	0.73	0.22	0.46	0.66	0.24	0.38	0.23	0.89			
Commit measured	0.14	-0.06	0.02	-0.14	-0.07	-0.11	-0.12	0.05	0.50		
Eg'nt measured	-0.50	-0.05	-0.24	-0.58	-0.19	-0.41	-0.25	-0.43	0.15	0.57	
Stdzied profit	0.01	0.03	0.16	0.05	-0.14	-0.06	0.08	0.09	0.17	-0.01	1.00